

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ending August 31, 2014

DONNA INDEPENDENT SCHOOL DISTRICT

116 NORTH TENTH STREET

DONNA, TX 78537

HIDALGO COUNTY



[www.donnaisd.net](http://www.donnaisd.net)

---

# **Donna Independent School District**

**Donna, Texas**



**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended August 31, 2014**

**Prepared by the Business & District Operations Office:**

Mr. David Robledo, Chief Financial Officer

Mrs. Stephanie De Los Santos, Finance Supervisor

*Donna Independent School District*  
*116 North 10<sup>th</sup> Street*  
*Donna, Texas 78537*  
[www.donnaisd.net](http://www.donnaisd.net)

---

**THIS PAGE LEFT BLANK INTENTIONALLY**



## INTRODUCTORY SECTION

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

# DONNA INDEPENDENT SCHOOL DISTRICT

Donna, Texas

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2014

### TABLE OF CONTENTS

| <b><u>Exhibit<br/>Number</u></b>              |   | <b><u>Page<br/>Number</u></b> |
|---|---|-------------------------------|
| <b>INTRODUCTORY SECTION</b>                   |   |                               |
|   | Table of Contents   | i - iii                       |
|   | Letter of Transmittal   | iv – xii                      |
|   | ASBO Certificate of Excellence in Financial Reporting   | xiii                          |
|   | GFOA Certificate of Achievement for Excellence in Financial Reporting   | xiv                           |
|   | Principal Officials and Advisors  | xv                            |
|   | Board of Trustees   | xvi                           |
|   | Administrative Organization Chart   | xvii                          |
|   | Certificate of Board  | xviii                         |
| <b>FINANCIAL SECTION</b>                      |   |                               |
|   | Independent Auditors' Report  | 1-2                           |
|   | Management's Discussion and Analysis  | 3-15                          |
| <b>Basic Financial Statements</b>             |   |                               |
| <i>Government-Wide Financial Statements:</i>  |   |                               |
| A-1   | Statement of Net Position   | 16                            |
| B-1   | Statement of Activities   | 17                            |
| <i>Governmental Fund Financial Statements</i> |   |                               |
| C-1   | Balance Sheet   | 18                            |
| C-1r  | Reconciliation of Governmental Funds Balance Sheet to the<br>Statement of Net Position  | 19                            |
| C-2   | Statement of Revenues, Expenditures, and Changes in Fund<br>Balances  | 20                            |
| C-2r  | Reconciliation of the Governmental Funds Statement of<br>Revenues, Expenditures, and Changes in Fund Balances<br>to the Statement of Activities | 21                            |
| C-3   | Statement of Revenues, Expenditures, and Changes in Fund Balance<br>Budget and Actual – General Fund  | 22                            |
| <i>Proprietary Fund Financial Statements:</i> |   |                               |
| D-1   | Statement of Net Position   | 23                            |

|   |  |       |
|---|--|-------|
| D-2   | Statement of Revenues, Expenses, and Changes in Fund Net Position                  | 24    |
| D-3   | Statement of Cash Flows  | 25    |
| <i>Fiduciary Fund Financial Statements:</i>                       |  |       |
| E-1   | Statement of Fiduciary Net Position  | 26    |
| E-2   | Statement of Changes in Fiduciary Fund Net Position                                | 27    |
|   | Notes to the Basic Financial Statements  | 28-43 |
| <b>Other Supplementary Information - Combining Schedules</b>      |  |       |
| <i>Nonmajor Governmental Funds</i>                                |  |       |
| H-1   | Combining Balance Sheet  | 44-46 |
| H-2   | Combining Statement of Revenues, Expenditures, and Changes in Fund Balances        | 47-49 |
| <i>Nonmajor Proprietary Funds</i>                                 |  |       |
| H-3   | Combining Statement of Net Position  | 50    |
| H-4   | Combining Statement of Revenues, Expenses, and Changes in Fund Net Position        | 51    |
| H-5   | Combining Statement of Cash Flows  | 52    |
| <i>Nonmajor Fiduciary Funds</i>                                   |  |       |
| H-6   | Combining Statement of Changes in Assets and Liabilities – Agency Funds            | 53-55 |
| H-7   | Combining Statement of Net Position – Private Purpose Trust Funds                  | 56    |
| <b>Other Supplementary Information - Exhibits J-1 through J-5</b> |  |       |
| J-1   | Schedule of Delinquent Taxes Receivable  | 57    |
| J-4   | Budgetary Comparison Schedule – Nonmajor Fund – Child Nutrition Program (Fund 101) | 58    |
| J-5   | Budgetary Comparison Schedule – Nonmajor Fund – Debt Service Fund                  | 59    |

## STATISTICAL SECTION

### Statistical Information

#### **Financial Trends**

|            |   |    |
|------------|---|----|
| Schedule 1 | Net Position by Component                           | 60 |
| Schedule 2 | Governmental Activities Expenses & Program Revenues | 61 |
| Schedule 3 | General Revenues and Change in Net Position         | 62 |
| Schedule 4 | Fund Balances – Governmental Funds                  | 63 |

#### **Revenue and Expenditure Capacity**

|            |  |    |
|------------|--|----|
| Schedule 5 | Governmental Fund Revenues by Source       | 64 |
| Schedule 6 | Governmental Fund Expenditures by Function | 65 |

|            |   |    |
|------------|---|----|
| Schedule 7 | Governmental Funds Other Sources, Uses and Changes in Fund Balances     | 66 |
| Schedule 8 | Governmental Fund Expenditures by Function per Average Daily Attendance | 67 |

**Debt Capacity**

|             |   |    |
|-------------|---|----|
| Schedule 9  | Assessed and Estimated Actual Value of Property   | 68 |
| Schedule 10 | Property Tax Levies and Collections   | 69 |
| Schedule 11 | Allocation of Property Tax Rates and Levies   | 70 |
| Schedule 12 | Property Tax Rates - Direct and Overlapping Governments   | 71 |
| Schedule 13 | Principal Property Taxpayers  | 72 |
| Schedule 14 | Outstanding Debt by Type  | 73 |
| Schedule 15 | Direct and Overlapping Debt – General Obligations Bonds   | 74 |
| Schedule 16 | Computation of Legal Debt Margin  | 75 |
| Schedule 17 | Ratio of Net General Obligations Bonded Debt to Estimated Actual Value and per Average Daily Membership | 76 |
| Schedule 18 | Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures                 | 77 |

**Demographic and Economic Information**

|             |                                  |    |
|-------------|----------------------------------|----|
| Schedule 19 | Demographic Information          | 78 |
| Schedule 20 | Principal Employers              | 79 |
| Schedule 21 | Construction and Property Values | 80 |

**Operating Information**

|             |  |    |
|-------------|--|----|
| Schedule 22 | Workforce Composition by Employee Classification | 81 |
| Schedule 23 | Schedule of Teacher Information                  | 82 |
| Schedule 24 | Schedule of Attendance and Membership            | 83 |
| Schedule 25 | Operating Statistics                             | 84 |
| Schedule 26 | Schedule of Student Information                  | 85 |
| Schedule 27 | Schedule of School Building                      | 86 |

**FEDERAL AWARDS SECTION**

|     |   |       |
|-----|---|-------|
|     | Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 87-88 |
|     | Independent Auditors’ Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133  | 89-90 |
|     | Schedule of Findings and Questioned Costs   | 91    |
|     | Schedule of Status of Prior Findings  | 92    |
| K-1 | Schedule of Expenditures of Federal Awards  | 93-94 |
|     | Notes to Schedule of Expenditures of Federal Awards   | 95    |
| L-1 | Schedule of Required Responses to Selected School FIRST Indicators  | 96    |



**THIS PAGE LEFT BLANK INTENTIONALLY**



## Donna Independent School District

116 North 10th Street \* Donna, Texas 78537  
Telephone (956) 461-4320 \* Fax (956) 464-1636

---

“Creating Opportunities for Success”

December 18<sup>th</sup>, 2014

**Mr. Alberto Sandoval, President,  
Members of the Board of Trustees, and  
Citizens of the Donna Independent School District  
Donna, Texas 78537**

Dear Mr. Sandoval, Board of Trustees, and the Citizens:

We are pleased to present the Donna Independent School District (the “District”) Comprehensive Annual Financial Report (CAFR) for the year ending August 31, 2014. The report was prepared by the Business and Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures contained in the report, rests solely with the District.

The District’s annual audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information are presented in conformity with requirements established by the Texas Education Agency in their Financial Accountability Systems Resource Guide. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District’s financial statement in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District’s comprehensive framework of internal controls has been designated to provide, reasonable rather than absolute, assurance that the financial statement will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District’s independent auditors were **Davis Kinard & Co, PC** and their opinion letter is hereby made a part of this report. Texas law requires that each public school district in the state undergo an annual audit conducted by an independent audit firm of certified public accountants and publish within one-hundred fifty days of the close of each fiscal year a complete set of financial statements. This audit must be done in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The goal of the independent audit was to provide reasonable assurance that the financial statements of Donna Independent School District for fiscal year ended August 31, 2014, are free of material misstatement and are presented in conformity with generally accepted accounting principles (GAAP). The independent audit involved examining, on a test basis, evidence

supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2014 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designated to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirement, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditors' reports on the internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Federal Awards Section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

This comprehensive annual financial report consists of four major sections: (1) the Introductory Section which describes our District and the contents of the report; (2) the Financial Section which contains the basic financial statements and notes, combining schedules and required TEA schedules; (3) the Statistical Section which shows prior years information for comparison purposes and other general information; and (4) the Federal Awards Section, as required.

## **GOVERNING BODY**

The District is a political subdivision of the State of Texas and governed and operating as an independent school district under the laws thereof. The District is located entirely in Hidalgo County, Texas and serves a population of approximately 50,000 persons and provides services to the City of Donna and surrounding areas. The District originally chartered by the State on or about 1919, now encompasses eighty-nine and a third square miles.

The policy-making functions of the District lie with a seven-member Board of Trustees (the Board) composed of District residents, each of which is elected by the voters of the district for four-year staggered terms. Regular meetings are scheduled the second Tuesday of the month and are held in the Staff Development/Board Room of the Administrative building. Special called meetings, committee meetings and workshop sessions are scheduled as needed and announced to the public in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, the court system and by the will of its citizens as expressed in school Board elections and bond referendums. Board decisions are based on a majority vote of those present.

In general, the Board is responsible for adopting policy, employing and evaluating the Superintendent and overseeing the operations of the District and its schools. The Board is also responsible for setting the tax rate, adopting the annual budget along with periodic amendments, setting salary schedules, approving pay increases and serving as a board of appeals in personnel and student matters. The Board receives funding from local, state and federal source entities. This report contains all funds pertaining to the District. Serving without compensation, Board members establish the policies by which schools operate. In carrying out the task of setting policy, the board identifies needs and establishes priorities for the school system, allocates financial and human resources among the priority areas and evaluates school performance. The District's Superintendent of Schools and staff assist the Board with financial and administrative matters and oversee the day-to-day operations of the District.

### *Budgetary Controls*

On an annual basis, the District presents the Board of Trustees with the proposed budgets for the General Operating Fund, the Debt Service Fund, and the Food Service Fund for approval as required by the Texas Education Code and as described in the Texas Education Agency's Financial Accountability Systems Resource Guide. The proposed budget is presented to the Board summarized at the function level for each of the funds above. The Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than August 31, the close of the District's fiscal year. After adoption of the budget, the appropriation amounts are entered into the District's accounting and encumbrance system and monitoring of the expenditures and encumbrances in relation to the approved budget begins.

Budget managers have the authority to approve budget transfers anytime during the year. A budget transfer is the movement of appropriations between budget line items within the same function. Any request to move appropriations between budget line items to different functions is considered a budget amendment. Any budget amendment requested by budget managers requires Board approval. Expenditure requests will not be processed unless appropriations are available in the line item.

The District feels that the budgetary controls currently in place are adequate to ensure that expenditures remain within the approved budget and that the District complies with regulations established by the Texas Education Code and the Financial Accountability Systems Resource Guide.

The District evaluates the existing system of internal controls annually through self-evaluation and the annual independent financial and compliance audit. Internal controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from authorized use or disposition; and 2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of controls should not exceed benefits expected to be

derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

*Services Provided*

The District provides a safe and learning environment that ensures a quality education for grade levels Pre-kindergarten through the 12<sup>th</sup> grade. Beginning in the 14 elementary schools, three middle schools, one 9th grade campus, one alternative education program and extending through the two high schools which include a nontraditional magnet high school, 3-D Academy, students study the essential elements of language arts, reading, science, mathematics, art, music, physical education and computer literacy. This includes a special education program for students with disabilities, occupational education, bilingual instruction for those with limited English proficiency, and specialized instruction for disadvantaged students. The focal point of this year's budget is on instruction with budgeted expenditures for students and teachers making up over 51% of the General Fund budget. The District budgeted \$89,448,171 for the 2013-2014 school year on instructional and instructional related service funds. This represents 54% of the District's operating budget for the 2013-2014 fiscal year.

*Enrollment*

Donna I.S.D is a Title I District and has a total enrollment of 15,376 students for the 2013-2014 school year. Of these students, 99.6% are Hispanic and 0.3% White, 0.1% African-American, 97.2% of the students are economically disadvantaged, 48.2% of all students are identified as Limited English Proficient language learners, 9.6% of the students are Gifted & Talented, and 6.6% are identified as students with special needs.

The breakdown of our student membership is as follows:



Average daily attendance had grown in the past ranging 2.5 – 3.5% but now has grown at less than 1%. ADA is expected to continue at this pace in the near term. Projected membership for school year 2014-15 is expected to reach 15,546.

*Mission Statement*

The mission of the District is to ensure academic excellence for all students through a rigorous and supportive learning environment that provides a quality education in accordance with state and national standards.

### *District Goals*

- I. Donna ISD students will achieve academic success in all facets of their education through relevant, rigorous, and aligned curriculum.
- II. Donna ISD will provide students and all stakeholders with a safe and nurturing school environment that supports academic success.
- III. Donna ISD will follow sound fiscal and managerial practices to provide a highly qualified staff, appropriate resources, technology, and well-maintained facilities to promote increased student achievement.
- IV. Donna ISD will collaborate with parents, community members, and staff to promote continuous success for all students through an effective planning and advisory process.

### *District Vision*

We envision being an exemplary school district staffed with highly qualified individuals working collaboratively to graduate college-ready students who will be a powerful force for positive change in our community.

### *Achievements*

The District received Superior rating on the School FIRST (Financial Integrity Rating System of Texas) financial accountability system for the fiscal year ending August 31, 2013. The rating system was established during the 77<sup>th</sup> Legislative session. School districts received its first official rating by TEA in August 2003 for the fiscal year 2001-2002.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within the District operates.

#### **Local Economy**

##### *Employment and the Labor Force*

Donna is considered the “Heart of the Valley” and is a strategically positioned land port that connects Mexico’s city of Rio Bravo to FM 495 and Expressway 83. International trade, transportation, retail trade, oil and gas, residential site for “Winter Texans” and tourism continue to play a major role in the Donna area economy.

##### *Construction*

In this fiscal year, many construction projects were completed using General funds. At Guzman Elementary, Garza Elementary, Munoz Elementary, and Singleterry Elementary the re-roofing

projects were completed. In addition, paving improvements at Munoz Elementary, Transportation and Maintenance departments were also completed.

### **Long-term Financial Planning**

The District continues to maintain a healthy General Fund Balance. The District has maintained the fund balance to ensure that needed resources are available when required to meet unexpected revenue shortfalls and one-time expenditures that may exceed the annual available resources. The District decreased its fund balance by \$2.0 million this fiscal year. Most of the decrease in fund balance was due to the construction expenditure of Donna High School Re-Roofing Project.

Growth in the District's tax base has continued, averaging 2% annual growth from fiscal years 2009-13. The District's fiscal 2013 taxable assessed valuation (TAV) grew to \$1.039 billion.

### **Debt Service**

Debt Service is a major area of cost due to the District's building program which is primarily financed by the sale of general obligation bonds. The Texas Education Code (TEC) authorizes the District to issue negotiable coupon bonds to construct, acquire, or equip school buildings, to purchase necessary sites, or to acquire or refinance property financed under a contract entered into under the Public Property Finance Act. The District is further authorized to levy and assess annual ad valorem taxes sufficient to pay the principal and interest on the bonds as they become due. The District's primary objective in debt management is to keep the level of indebtedness within available resources and within legal debt limitations.

All bond elections are held in accordance with statutory requirements and bonds are issued and taxes are levied in compliance with Sections 45.001, 45.003(b)(1), and 45.003(e) of the Texas Education Code.

As of August 31, 2014, the District had \$95,135,000 of School Building Unlimited Tax Bonds and Capital Appreciation Bonds, with maturities extending into the year 2040. The District's Debt Service fund balance is \$1,018,643 as of August 31, 2014.

In November 2011, Moody assigns A2 underlying and Aaa Enhanced rating to the District. "Moody's believes the district has demonstrated sound financial management in recent years, which is evident in the general reduction of expenditures and improvement in reserve levels." (quote from Moody's). Also in November 2011, Standard & Poor's assigned the District a rating of A and views the outlook for this rating as stable.

### **Major Initiatives**

The 2013-14 financial structure of the District provided support to work toward or accomplish the following goals:

1. Implementation of a new Curriculum & Instruction Plan
2. Maintain competitive salaries and staffing ratios

### 3. Maintain a healthy District Fund Balance

#### **Fiduciary Operations**

The District maintains the fiduciary responsibility of monitoring the individual campus' student activity funds. The District ensures that proper control over cash is maintained and that all procedures are in accordance with TEA's Financial Accountability Systems Resource Guide. As of August 31, 2014, total assets for student activity funds were \$307,839.

#### **Financial Management Awards**

##### *Certificate of Excellence*

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Donna Independent School District for its Comprehensive Annual Financial Report for the fiscal year ended August 31, 2013. This was the first year that the government has achieved this prestigious award. The Certificate of Excellence in Financial Reporting is a voluntary program sponsored by ASBO to foster excellence in the preparation and issuance of school system financial reports.

A Certificate of Excellence is valid for a period of one year only. We believe that our current report continues to conform to the high standards of the certificate of excellence program, and we are submitting it to ASBO.

##### *Certificate of Achievement for Excellence*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Donna Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2013. This was the first year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

##### *Award for Outstanding Achievement*

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Donna Independent School District for its Popular Annual Financial Report for the fiscal year ended August 31, 2013.



The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Donna Independent School District has received the Popular Award for the first time last year.

#### *Texas Comptroller Leadership Circle Award*

The Texas Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in December 2009 to recognize local governments across Texas that are striving to meet a high standard for financial transparency online. Leadership Circle designees receive a certificate reflecting their Circle Award level: Gold, Silver or Bronze. “Gold” highlights those entities that are setting the bar with their transparency efforts; “Silver” encourages those who are making progress, and “Bronze” inspires those who are just beginning their transparency efforts. During the 2013-2014 fiscal year, Donna ISD received the “Platinum” Award, the highest rating, from the Texas Comptroller of Public Accounts.

### **Acknowledgments**

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the commitment and dedicated services of the Business and Finance staff and other members district-wide. We would like to express our appreciation for their contributions to its presentation. The Business & District Operations Office would like to thank the following personnel for the time and effort given to the preparation of this report:

#### **Executive Administration**

Mr. Jesus Rene Reyna, Superintendent  
Mr. Fernando Castillo, Chief Academic Officer  
Mrs. Velma Rangel, Chief Special Programs Officer  
Mr. David Robledo, Chief Financial Officer  
Ms. Debbie S. Scogin, Assistant Superintendent for Human Resources

#### **Business and District Operations**

Mrs. Stephanie De Los Santos, Finance Supervisor  
Ms. Angelica Resendez, Budget Accountant  
Ms. Sandra Martinez, Payroll Coordinator  
Mr. Jose L. Marines, Payroll Supervisor  
Ms. Luz Rodriguez, Purchasing Agent

Mr. Refugio De Los Santos, Accounts Payable Supervisor  
Mr. Joe A. Cantu, Maintenance Director  
Mr. Arturo Castillo, Transportation Director  
Mr. David S. Simmons, Custodial Director  
Ms. Diana Quintanilla, Child Nutrition Director  
Ms. Maria E. Gonzales, Bookkeeper

We would especially like to thank the District's Board of Trustees for their time, dedication and support to the District and its personnel and our independent auditors, Davis Kinard & Co, PC, for their role in providing professional guidance and assistance in the preparation of this report.

Respectfully Submitted,



---

Mr. David Robledo,  
Chief Financial Officer



---

Mrs. Stephanie De Los Santos,  
Finance Supervisor

|  |
|--|
| <p>It is the policy of the Donna Independent School District not to discriminate on the basis of race, color, national origin, gender, religion, limited English proficiency, or handicapping condition in its programs.</p> |
|--|

**THIS PAGE LEFT BLANK INTENTIONALLY**

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Donna Independent School District**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended August 31, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director

**THIS PAGE LEFT BLANK INTENTIONALLY**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Donna Independent School District  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**August 31, 2013**

Executive Director/CEO

**THIS PAGE LEFT BLANK INTENTIONALLY**

# DONNA INDEPENDENT SCHOOL DISTRICT

Donna, Texas

## PRINCIPAL OFFICIALS, CONSULTANTS & ADVISORS

For the Year Ended August 31, 2014

### ELECTED OFFICIALS

| <u>Board of Trustees</u>           | <u>Length of Service</u> | <u>Term Expires</u> | <u>Occupation</u>                     |
|------------------------------------|--------------------------|---------------------|---------------------------------------|
| Efren Cenicerros,<br>President     | 4 Years                  | Nov. 2014           | Retired                               |
| Reynaldo Alegria<br>Vice-President | 4 Years                  | Nov. 2014           | Sales                                 |
| Angel Magallanes,<br>Secretary     | 4 Years                  | Nov. 2014           | Consultant, TASB                      |
| Nick Castillo,<br>Trustee          | 6 Years                  | Nov. 2016           | Hidalgo County<br>Head Start          |
| Rudy Perez,<br>Trustee             | 1 Year                   | Nov. 2014           | Operations Manager                    |
| Ernesto Lugo,<br>Trustee           | 6 Years                  | Nov. 2016           | Owner, New Life<br>Home Health Agency |
| Alberto Sandoval,<br>Trustee       | 3 Years                  | Nov. 2016           | Owner, All Valley<br>Pools, Inc.      |

### CONSULTANTS & ADVISORS

Financial Advisors ..... Estrada-Hinojosa & Company, Inc.  
..... Dallas and San Antonio, Texas

Bond Counsel ..... Ramirez & Guerrero, L.L.P.  
..... San Juan, Texas

General Counsel ..... Guerra & Farrah Attorneys-at-Law  
..... Houston, Texas

Independent Auditors ..... Davis Kinard & Co, PC  
..... Abilene, Texas



**THIS PAGE LEFT BLANK INTENTIONALLY**

# DONNA INDEPENDENT SCHOOL DISTRICT

## Board of Trustees For the Fiscal Year Ended August 31, 2014



Efren Cenicerros  
Place 7  
President



Reynaldo Alegria  
Place 5  
Vice-President



Angel Magallanes  
Place 6  
Secretary



Nick Castillo  
Place 4  
Trustee



Rudy Perez  
Place 3  
Trustee



Ernesto Lugo  
Place 1  
Trustee



Alberto Sandoval  
Place 2  
Trustee

## Superintendent & Administrative Officials



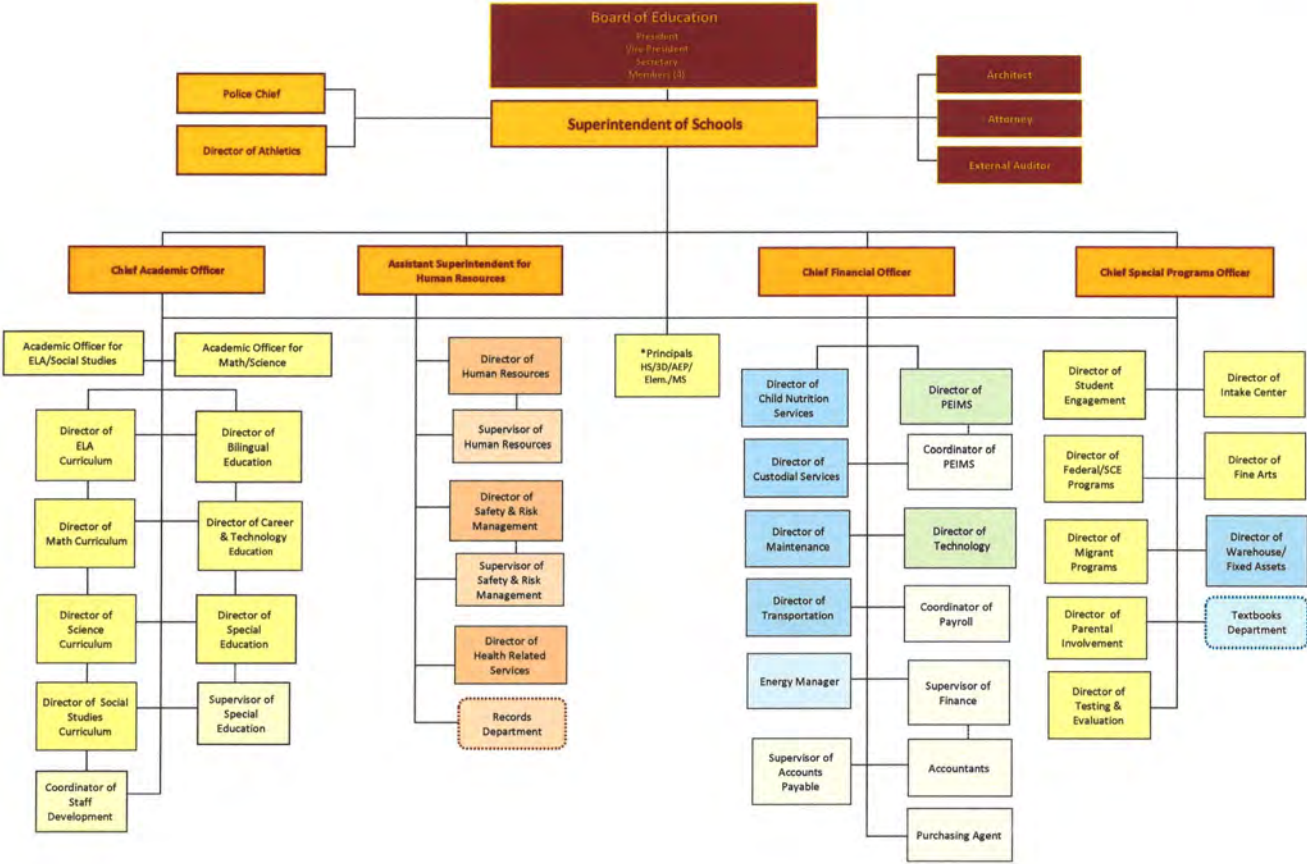
Mr. Jesus Rene Reyna  
Superintendent of Schools  
June 26, 2014 to Present

| Name                  | Position                                     |
|-----------------------|--|
| Mr. Fernando Castillo | Chief Academic Officer                       |
| Mrs. Velma Rangel     | Chief Special Program Officer                |
| Mr. David Robledo     | Chief Financial Officer                      |
| Ms. Debbie S. Scogin  | Assistant Superintendent for Human Resources |

**THIS PAGE LEFT BLANK INTENTIONALLY**

# Donna Independent School District Organizational Chart

Board Approval:  
June 26, 2014



**THIS PAGE LEFT BLANK INTENTIONALLY**

**CERTIFICATE OF BOARD**

---

**Donna Independent School District**  
*Name of School District*

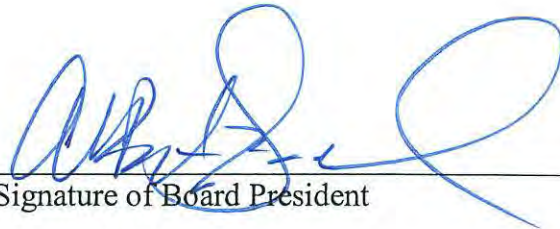
**Hidalgo**  
*County*

**108-902**  
*County District Number*

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and  X  approved \_\_\_ disapproved for the year ended August 31, 2014 at the meeting of the Board of Trustees of such school district on the  17<sup>th</sup>  day of December, 2014.



\_\_\_\_\_  
Signature of Board Secretary



\_\_\_\_\_  
Signature of Board President

**THIS PAGE LEFT BLANK INTENTIONALLY**



**FINANCIAL SECTION**

*Donna ISD.....*

*Committed to Excellence*



**THIS PAGE LEFT BLANK INTENTIONALLY**

## INDEPENDENT AUDITOR'S REPORT

To the Board of School Trustees of the  
Donna Independent School District

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Donna Independent School District (the District) as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of August 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, the TEA required schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards, the combining nonmajor fund financial statements and the TEA required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Donna Independent School District's internal control over financial reporting and compliance.

*Dennis Kinard & Co., PC*  
Certified Public Accountants

Abilene, Texas  
December 8, 2014



# Donna Independent School District

“Creating Opportunities for Success”

Roberto F Loreda, Superintendent

## MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Donna Independent School District (the “District”), we are providing readers of the District’s financial statements this narrative overview and analysis of the District’s financial performance for the fiscal year ended August 31, 2014. Please read this discussion in conjunction with the transmittal letter, which can be found at the front of this report, and the District’s financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The District’s total combined net position as reflected in the government-wide Statement of Net Position were \$169,577,834 at August 31, 2014. Of this amount, \$48,285,898 (unrestricted net position) may be used to meet the District’s ongoing obligations.
- The District’s Statement of Activities reflects an increase in net position for Governmental Activities in the amount of \$5,666,599. This is a result of expenses being less than the \$165,352,100 generated in taxes, state aid, investment earnings, and other revenues such as charges for services and federal grants.
- The General Fund reported a fund balance in the governmental funds financial statement this year of \$45,471,882. Approximately 89% of this total amount, \$40,604,942, is available for spending at the District’s discretion (unassigned fund balance). The District has assigned \$2,500,000 for projects, primarily for the District-wide renovation projects.
- As of the close of the fiscal year, the District’s governmental funds reported combined ending fund balances of \$46,826,050, a decrease of \$2,032,890 in comparison with the prior year, primarily due to the construction project of the Donna High School Re-roofing project.

### OVERVIEW OF THE FINANCIAL STATEMENTS

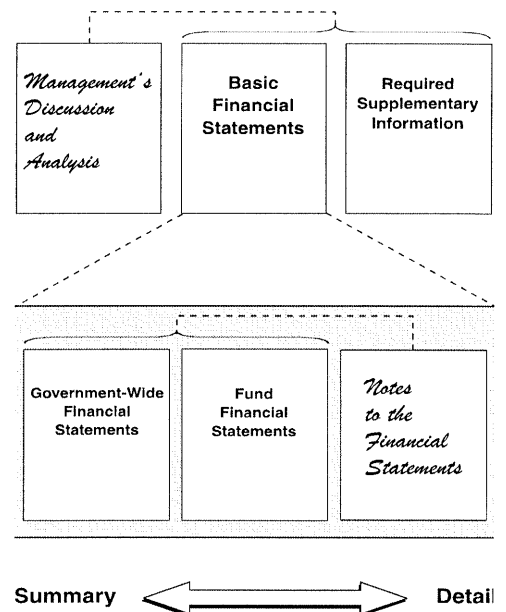
This annual report consists of three parts—*management’s discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.

**THIS PAGE LEFT BLANK INTENTIONALLY**

- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as its insurance fund.
- *Fiduciary fund* statements provide information about the financial relationships in which the District's acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

Figure A-1, Required Components of the District's Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

| Type of Statements                     | Fund Statements  |  |   |  |
|--|--|--|---|--|
|  | Government-wide  | Governmental Funds   | Proprietary Funds   | Fiduciary Funds  |
| Scope                                  | Entire Agency's government (except fiduciary funds) and the Agency's component units | The activities of the district that are not proprietary or fiduciary   | Activities the district operates similar to private businesses: self insurance                  | Instances in which the district is the trustee or agent for someone else's resources   |
| Required financial statements          | ♦ Statement of net position  | ♦ Balance sheet  | ♦ Statement of net position   | ♦ Statement of fiduciary net position  |
|  | ♦ Statement of activities  | ♦ Statement of revenues, expenditures & changes in fund balances   | ♦ Statement of revenues, expenses and changes in fund net position<br>♦ Statement of cash flows | ♦ Statement of changes in fiduciary net position   |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus                                      | Modified accrual accounting and current financial resources focus  | Accrual accounting and economic resources focus   | Accrual accounting and economic resources focus  |
| Type of asset/liability information    | All assets and liabilities, both financial and capital, short-term and long-term     | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included  | All assets and liabilities, both financial and capital, and short-term and long-term            | All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can |
| Type of inflow/outflow information     | All revenues and expenses during year, regardless of when cash is received or paid   | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid              | All revenues and expenses during year, regardless of when cash is received or paid   |

## Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position—the difference between the District's assets and liabilities—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, one needs to consider additional non-financial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, curriculum and staff development, school district administrative support services and general administration. Grants and charges for services finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain grants and local sources.

The District's has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- We use *internal service funds* to report revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis are accounted for in internal service fund.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary fund net position. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

## Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning budget to actual presentations for the General Fund in accordance with State Board of Education rules. In addition, budget to actual presentations for the Food Service Fund and the Debt Service Fund are included in the TEA Required Schedules section.

The combining statements referred to earlier in connection with Nonmajor governmental funds are presented immediately following the Required Supplementary Information.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a government’s financial position. The District’s combined net position were \$169,577,834 at August 31, 2014 (See Table A-1); of which, unrestricted net position (those net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements) equaled \$48,285,898 or about 28.5% of net position. The government-wide increase in net position was \$5,666,599.



**TABLE A-1**  
**DONNA INDEPENDENT SCHOOL DISTRICT**  
**GOVERNMENTAL ACTIVITIES**  
**NET POSITION**

|   | FY 2014            | FY 2013 (as restated) | Percentage<br>Change |
|---|--------------------|-----------------------|----------------------|
| Current Assets and Other Assets           | \$71,467,303       | \$78,802,918          | -9.3%                |
| Capital Assets                            | 218,827,775        | 211,740,352           | 3.3%                 |
| Total Assets                              | <u>290,295,078</u> | <u>290,543,270</u>    | <u>-0.1%</u>         |
| Deferred Charge for Refunding             | 306,579            | 0                     | 100.0%               |
| Total Deferred Outflows of Resources      | <u>306,579</u>     | <u>0</u>              | <u>100.0%</u>        |
| Current Liabilities                       | 18,339,949         | 20,862,295            | -12.1%               |
| Long-Term Liabilities                     | 102,683,874        | 105,769,740           | -2.9%                |
| Total Liabilities                         | <u>121,023,823</u> | <u>126,632,035</u>    | <u>-4.4%</u>         |
| Net Position:                             |                    |                       |                      |
| Net Investment in Capital Assets          | 118,040,932        | 106,407,127           | 10.9%                |
| Restricted for Federal and State Programs | 2,232,361          | 276,251               | 708.1%               |
| Restricted for Debt Service               | 1,018,643          | 713,237               | 42.8%                |
| Unrestricted                              | 48,285,898         | 56,514,620            | -14.6%               |
| Total Net Position                        | <u>169,577,834</u> | <u>163,911,235</u>    | <u>3.5%</u>          |

Approximately 84.8% of the District's largest liability is for the repayment of general obligation bonds. Other liabilities, representing about 15.2% of the District's total liabilities, consist almost entirely of payables on accounts and salaries and benefits.

The largest portion of the District's net position (69.6%) reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes and state aid), since the capital assets themselves cannot be used to liquidate these liabilities.

The smallest portion of the District's net position (1.9%) represents resources that are subject to external restrictions on how they may be used. Restricted net position increase by \$2,261,516 during the year ended August 31, 2014. This increase resulted primarily from the reclassification of Child Nutrition Program fund balance. The remaining balance of unrestricted net position \$48,285,898 may be used to meet the District's ongoing obligations to students, employees, and creditors and to honor next year's budget.

The District's current assets of \$71,467,303 were sufficient to cover current liabilities of \$18,339,949. This represents a current ratio of 3.90, which means that for every dollar the District owes there is \$3.90 available in current assets.

## Governmental Activities

Governmental activities increased the District's total net position by \$5,666,599, accounting for a 3.5% increase in net position for the District.

**TABLE A-2**

**DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
CHANGES IN NET POSITION**

**Program Revenues:**

|                                    | FY 2014    | FY 2013 (as restated) |
|------------------------------------|------------|-----------------------|
| Charges for Services               | \$ 467,815 | \$ 570,607            |
| Operating Grants and Contributions | 36,092,850 | 37,169,647            |

**General Revenues:**

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| State Aid - Formula Grants          | 110,937,658 | 103,612,874 |
| Unrestricted Grants & Contributions | 3,971,165   | 9,782,208   |
| Investment Earnings                 | 60,972      | 83,837      |
| Misc. Local & Inter. Rev            | 1,471,704   | 1,045,009   |
| Property Taxes                      | 12,349,936  | 12,418,226  |
| Special Item                        | -           | 2,498       |

|   |                    |                    |
|---|--------------------|--------------------|
| <b>Total Program and General Revenues</b> | <b>165,352,100</b> | <b>164,684,906</b> |
|---|--------------------|--------------------|

**Expenditures**

|  |            |            |
|--|------------|------------|
| Instruction                                      | 87,303,486 | 81,972,747 |
| Instructional Resources and Media Services       | 2,449,631  | 2,341,117  |
| Curriculum Dev. And Instructional Staff Dev.     | 2,646,150  | 2,411,339  |
| Instructional Leadership                         | 2,431,218  | 2,720,745  |
| School Leadership                                | 6,720,242  | 6,915,932  |
| Guidance, Counseling and Evaluation Services     | 6,133,190  | 5,562,415  |
| Social Work Services                             | 1,113,654  | 922,422    |
| Health Services                                  | 2,046,147  | 2,059,341  |
| Student (Pupil) Transportation                   | 4,379,595  | 4,408,911  |
| Food Services                                    | 10,600,019 | 10,804,179 |
| Curricular/Extracurricular Activities            | 5,709,568  | 5,307,959  |
| General Administration                           | 4,532,916  | 7,562,423  |
| Facilities Maintenance & Oper.                   | 14,696,218 | 13,612,836 |
| Security & Monitoring Svcs.                      | 2,411,637  | 2,046,844  |
| Data Processing Services                         | 1,470,093  | 1,605,700  |
| Community Services                               | 1,169,832  | 1,153,400  |
| Debt Service                                     | 3,863,075  | 4,540,986  |
| Facilities Acquisition and Construction          | 1,606      | -          |
| Payments to Juvenile Justice Alternative Ed Prg. | 7,224      | 46,215     |

|                           |                    |                    |
|---------------------------|--------------------|--------------------|
| <b>Total Expenditures</b> | <b>159,685,501</b> | <b>155,995,511</b> |
|---------------------------|--------------------|--------------------|

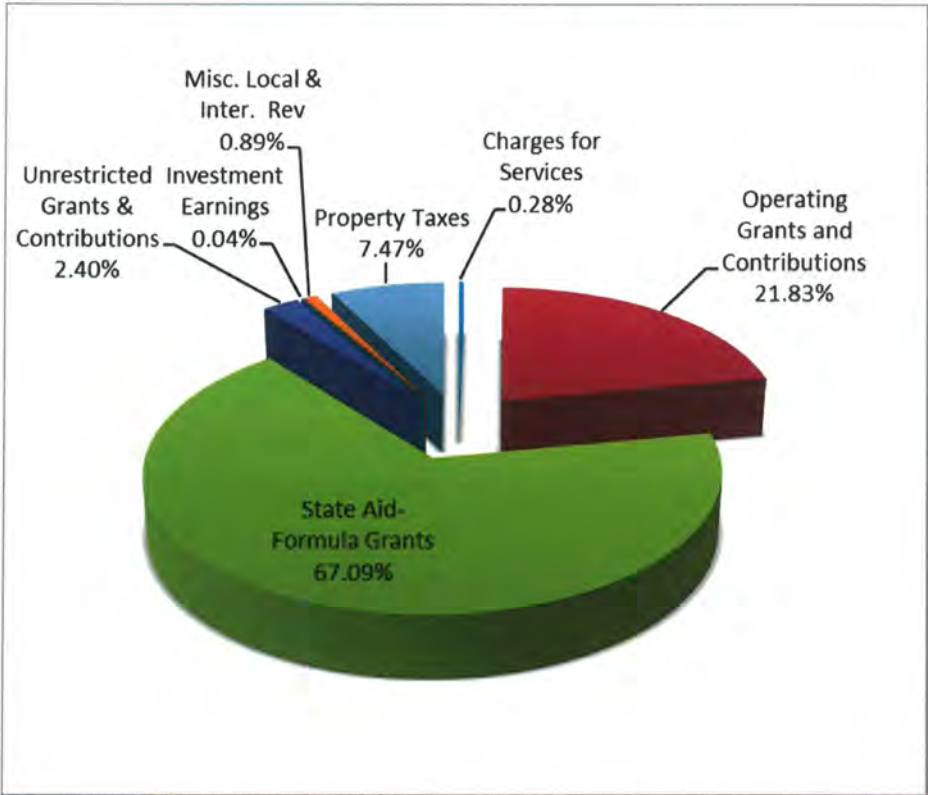
|  |                  |                  |
|--|------------------|------------------|
| <b>Excess (Deficiency) of Revenues over Expenditures</b> | <b>5,666,599</b> | <b>8,689,395</b> |
|--|------------------|------------------|

|  |                  |                  |
|--|------------------|------------------|
| <b>Increase (Decrease) in Net Position</b> | <b>5,666,599</b> | <b>8,689,395</b> |
|--|------------------|------------------|

|  |                       |                       |
|--|-----------------------|-----------------------|
| <b>Net Position at Beginning of Year</b>   | <b>\$ 163,911,235</b> | <b>\$ 155,221,840</b> |
| <b>Increase (Decrease) in Net Position</b> | <b>5,666,599</b>      | <b>8,689,395</b>      |
|  | <b>\$ 169,577,834</b> | <b>\$ 163,911,235</b> |

The following chart highlights the District's revenues by funding source for the governmental activities. As you can see, State Aid comprises 67.1% of the total.

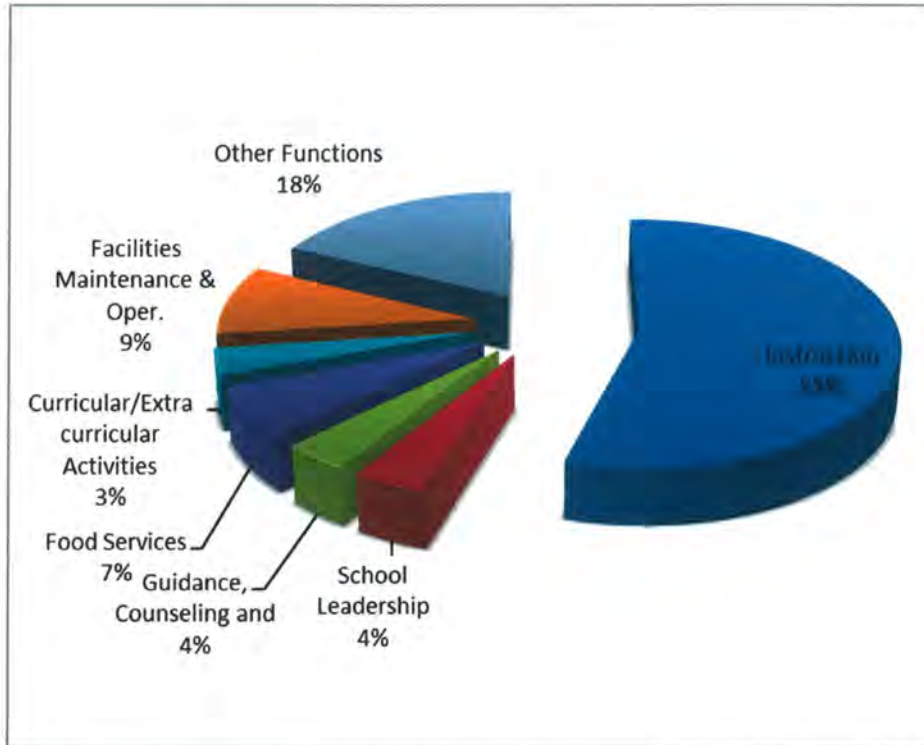
**Figure A-3 District's Total Revenues**



Total revenues were \$165,352,100. Revenues for the District's governmental activities increased 0.4% compared to prior year. The increase was due to an increase of funding from State Aid Foundation Payments.

The next chart presents the cost of each of the District's largest functions. Of the total expenses, instructional services represent the largest dollar expense at \$87,387,522 or 54.7%, followed by facilities maintenance & operations at \$14,612,182 or 9.2%.

**Figure A-4 District's Functional Expenses**



Total expenses were \$159,685,501. Total expenses increased by \$3,689,990 or 2.4%. The increase in expenses was mostly for staffing pay increases.

**Governmental Funds**

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$46,826,050 a decrease of \$2,032,890 in comparison with the prior year. Approximately 86.6% or \$40,581,111 of this total amount constitutes unassigned fund balance, which is available for spending at the district's discretion. The remainder of fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been assigned: 1) to construction renovations \$2,500,000, 2) Federal or State Funds Grant Restriction \$2,232,361, 3) for retirement of long term debt \$1,018,643 and 4) for inventories \$493,935.

*General Fund.* The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$40,604,942, while total fund balance reached \$45,471,882. As a measure of the general fund's liquidity, it may be useful

**THIS PAGE LEFT BLANK INTENTIONALLY**

to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.2% of total general fund expenditures, while total fund balance represents 31.6% of total general fund expenditures.

The \$3,825,963 decrease in the unassigned fund balance gives the District a balance that is the equivalent of 103.0 days of expenditures. This fund balance is adequate to minimize the likelihood of the District entering the short-term debt market to pay for current operating expenditures. The District will be using the increase in the fund balance to maintain the monthly minimum expenditures required by the Texas Education Agency.

*Debt Service Fund.* The Debt Service Fund ended with a total combined fund balance of \$1,018,643, all of which was reserved for the payment of debt service. This amount was set aside to help repay bond issues.

### District's Analysis of Debt Service Fund

| Debt Service Fund (599)        |                         |                           |                      |
|--------------------------------|-------------------------|---------------------------|----------------------|
|                                | <u>2014</u>             | <u>2013 (as restated)</u> | <u>%<br/>Change</u>  |
| Revenues                       |                         |                           |                      |
| Property Taxes                 | \$1,006,644             | \$999,752                 | 0.7%                 |
| State Program Revenues         | <u>647,811</u>          | <u>7,638,458</u>          | <u>-91.5%</u>        |
| Total Revenues                 | <u>1,654,455</u>        | <u>8,638,210</u>          | <u>-80.8%</u>        |
| Expenditures by Function       |                         |                           |                      |
| Principal Long Term Debt       | 5,080,000               | 4,975,000                 | 2.1%                 |
| Interest on Long Term Debt     | 3,881,022               | 3,790,213                 | 2.4%                 |
| Other Fees                     | <u>8,463</u>            | <u>160,334</u>            | <u>-94.7%</u>        |
| Total Expenditures             | <u>8,969,485</u>        | <u>8,925,547</u>          | <u>0.5%</u>          |
| Other Financing Sources (Uses) | <u>7,200,000</u>        | <u>737,702</u>            | <u>876.0%</u>        |
|                                | 7,200,000               | 737,702                   | 876.0%               |
| Net Change in Fund Balance     | (115,030)               | 450,365                   | -125.5%              |
| Fund Balance, Beginning        | <u>1,133,673</u>        | <u>683,308</u>            | <u>65.9%</u>         |
| Fund Balance, Ending           | <u><u>1,018,643</u></u> | <u><u>1,133,673</u></u>   | <u><u>-10.1%</u></u> |

*Child Nutrition Fund.* The Child Nutrition Fund has a total fund balance of \$1,948,840. The net decrease in fund balance during the year was \$992,683 which was related to indirect cost transfer.

**District’s Analysis of Child Nutrition Fund**

| <b>Child Nutrition Fund (101)</b>     |                    |                           |                     |
|---------------------------------------|--------------------|---------------------------|---------------------|
|                                       | <u>2014</u>        | <u>2013 (as restated)</u> | <u>%<br/>Change</u> |
| Revenues                              |                    |                           |                     |
| Local Sources                         | \$297,674          | \$287,441                 | 3.6%                |
| State Program Revenues                | 74,023             | 67,801                    | 9.2%                |
| Federal Program Revenues              | <u>9,055,924</u>   | <u>10,727,354</u>         | <u>-15.6%</u>       |
| Total Revenues                        | <u>9,427,621</u>   | <u>11,082,596</u>         | <u>-14.9%</u>       |
| Expenditures by Function              |                    |                           |                     |
| Food Service                          | 10,419,890         | 10,556,196                | -1.3%               |
| Facilities Maintenance and Operations | <u>414</u>         | <u>453,530</u>            | <u>-99.9%</u>       |
| Total Expenditures                    | <u>10,420,304</u>  | <u>11,009,726</u>         | <u>-5.4%</u>        |
| Net Change in Fund Balance            | (992,683)          | 72,870                    | -1462.3%            |
| Fund Balance, Beginning               | <u>2,941,523</u>   | <u>2,868,653</u>          | <u>2.5%</u>         |
| Fund Balance, Ending                  | <u>\$1,948,840</u> | <u>\$2,941,523</u>        | <u>-33.7%</u>       |

**Business-Type Activities**

The District did not have any business type of activities.

**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

Revenues from governmental fund types totaled \$165,881,950 an increase of 0.5% over the preceding year. The increase in State Program revenues is a result of increased state aid revenue and operational grants.

**General Fund Budgetary Highlights**

The FY 2014 budget was developed by balancing the challenges of operating a new high school and student/staff ratios while maintaining the same property tax rate. The most significant fund for the District is the General Fund, funded primarily through state aid and property tax revenue. Over the course of the year, the District revised its budget several times.

The general fund budget was amended 13 times. The original appropriation was increased by \$5,245,829 as of the final amended budget. This increase was due to:

- A decrease to support an operating transfer to Debt Service Fund in the amount of (\$185,285).
- To align revenue budgets in the amount of \$2,833,804.
- To cover construction payments in the amount of \$992,500.
- To cover lease payments in the amount of \$1,604,810.

Even with these adjustments, actual expenditures were \$2,883,291 below the final budget amounts. The most significant positive variance resulted from staffing, specifically in teacher vacancies. Staffing is budgeted for full employment at midpoint throughout the fiscal year. Budget amounts for vacant positions throughout the year are not eligible for budget revisions.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students in the District. At the end of 2014, the District had invested \$218,827,775 in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents an increase of \$7,087,423 over last year.

**TABLE A-3  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
SCHEDULE OF CAPITAL ASSETS**

| Capital Assets                | FYE 2014                  | FYE 2013                  | Percentage<br>Change |
|-------------------------------|---------------------------|---------------------------|----------------------|
| Land                          | 11,738,720                | 11,376,990                | 3.2%                 |
| Buildings and Improvements    | 221,803,948               | 219,900,964               | 0.9%                 |
| Furniture & Equipment         | 22,517,210                | 20,500,115                | 9.8%                 |
| Capital Leases                | 13,421,966                | 10,484,329                | 28.0%                |
| Construction in Progress      | 3,419,997                 | 0                         | 100.0%               |
| Totals at Historical Cost     | <u>272,901,841</u>        | <u>262,262,398</u>        | 4.1%                 |
| Less Accumulated Depreciation | <u>(54,074,066)</u>       | <u>(50,522,046)</u>       | 7.0%                 |
| Net Capital Assets            | <u><u>218,827,775</u></u> | <u><u>211,740,352</u></u> | <u>3.3%</u>          |

## LONG TERM DEBT

At year end, the District has \$102,683,874 in bonds, notes, accreted interest, and capital leases outstanding as shown in Table A-4. More detailed information about the District's debt is presented in the notes to the financial statements.



**TABLE A-4**

**TABLE A-4  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES  
SCHEDULE OF LONG-TERM DEBT**

| Governmental Activities: | FYE 2014             | FYE 2013 (as restated) | Percentage<br>Change |
|--------------------------|----------------------|------------------------|----------------------|
| Bonds Payable            | \$95,135,000         | \$100,215,000          | -5.1%                |
| Unamortized Bond Premium | 2,416,391            | 2,550,111              | -5.2%                |
| Note Payable             | 466,323              | 1,079,176              | -56.8%               |
| Accreted Interest        | 1,590,452            | 1,528,040              | 4.1%                 |
| Capital Lease Payable    | 3,075,708            | 727,529                | 322.8%               |
| Totals                   | <u>\$102,683,874</u> | <u>\$106,099,856</u>   | <u>3.3%</u>          |

**Bond Ratings:** The District's bonds carry "AAA" rating with underlying ratings as follows: Moody's Investor Services "A2" and Standard & Poor's "A/Stable".

The note payable decreased by 56.8% due to a payment of the note related to the purchase 15 school buses. Leases payable increased by 322.8% due to the new computer capital lease project. The bonds payable decreased by 5.1% due to the retirement of debt of \$5,080,000.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's board members considered many factors when setting the fiscal year 2014-15 budget and tax rates. Some of these factors were the district needs, the campus needs, appraised values, and the Donna economy. The following factors are highlights of the budget:

- The Average Daily Attendance (ADA) is projected to increase 1% in fiscal year 2014-2015. The District's 2014-15 ADA is projected to be 14,019, which reflects a 1% increase.
- Any increases in revenue will be attributed to the changes in the ADA.
- The total budgeted tax rate is \$1.2582 which is composed of \$1.17 compressed rate for maintenance and operations and \$.0882 for the payment of principal and interest on bonds.
- The taxable value used for the 2014-2015 budget preparation is up \$1,062,753,575 from the previous year, (1,038,735,273) which is an increase of 2.31%.

These indicators were taken into account when adopting the general fund budget for 2015. Amounts available for appropriation in the general fund budget for 2015 are \$149,432,957, an increase of 2.72% versus the final 2014 budget of \$145,467,472.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT DEPARTMENT**

This comprehensive financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. David Robledo, Chief Financial Officer, Business & District Operations Office, Donna I.S.D., 116 North 10<sup>th</sup> Street, Donna, Texas 78537 or by calling (956) 461-4320.

**THIS PAGE LEFT BLANK INTENTIONALLY**



## **BASIC FINANCIAL STATEMENTS**

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
AUGUST 31, 2014

EXHIBIT A-1

| Data<br>Control<br>Codes                       | Governmental<br>Activities |
|--|----------------------------|
| <b>ASSETS</b>                                  |                            |
| 1110 Cash and Cash Equivalents                 | \$ 9,791,734               |
| 1120 Current Investments                       | 49,644,758                 |
| 1220 Property Taxes Receivable (Delinquent)    | 4,677,860                  |
| 1230 Allowance for Uncollectible Taxes         | (467,786)                  |
| 1240 Due from Other Governments                | 6,308,870                  |
| 1267 Due from Fiduciary Funds                  | 275,084                    |
| 1290 Other Receivables, Net                    | 742,848                    |
| 1300 Inventories                               | 493,935                    |
|  |                            |
| Capital Assets:                                |                            |
| 1510 Land                                      | 11,738,720                 |
| 1520 Buildings, Net                            | 182,087,622                |
| 1530 Furniture and Equipment, Net              | 21,581,436                 |
| 1580 Construction in Progress                  | <u>3,419,997</u>           |
| 1000 Total Assets                              | <u>290,295,078</u>         |
|  |                            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |
| 1700 Deferred Charge for Refunding             | <u>306,579</u>             |
| Total Deferred Outflows                        | <u>306,579</u>             |
|  |                            |
| <b>LIABILITIES</b>                             |                            |
| 2110 Accounts Payable                          | 4,552,159                  |
| 2140 Interest Payable - Current                | 163,502                    |
| 2150 Payroll Deductions & Withholdings         | 2,767,408                  |
| 2160 Accrued Wages Payable                     | 3,740,678                  |
| 2177 Due to Fiduciary Funds                    | 286,653                    |
| 2200 Accrued Expenses                          | 46,961                     |
| 2300 Unearned Revenues                         | 6,782,588                  |
| Noncurrent Liabilities                         |                            |
| 2501 Due Within One Year                       | 6,829,953                  |
| 2502 Due in More Than One Year                 | <u>95,853,921</u>          |
| 2000 Total Liabilities                         | <u>121,023,823</u>         |
|  |                            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                            |
| 2600 Unavailable Revenue - Property Taxes      | <u>-</u>                   |
| Total Deferred Inflows of Resources            | <u>-</u>                   |
|  |                            |
| <b>NET POSITION</b>                            |                            |
| 3200 Net Investment in Capital Assets          | 118,040,932                |
| 3820 Restricted for Federal and State Programs | 2,232,361                  |
| 3850 Restricted for Debt Service               | 1,018,643                  |
| 3900 Unrestricted Net Position                 | <u>48,285,898</u>          |
| 3000 Total Net Position                        | <u>\$ 169,577,834</u>      |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2014

| Data<br>Control<br>Codes         | Functions/Programs                                | 1<br>Expenses         | Program Revenues             |   |
|----------------------------------|---|-----------------------|------------------------------|---|
|                                  |   |                       | 3<br>Charges for<br>Services | 4<br>Operating<br>Grants and<br>Contributions |
| GOVERNMENTAL ACTIVITIES:         |   |                       |                              |   |
| 11                               | Instruction                                       | \$ 87,303,486         | \$ 66,834                    | \$ 17,722,901                                 |
| 12                               | Instructional Resources and Media Services        | 2,449,631             | -                            | 768,689                                       |
| 13                               | Curriculum and Staff Development                  | 2,646,150             | -                            | 1,264,019                                     |
| 21                               | Instructional Leadership                          | 2,431,218             | -                            | 905,044                                       |
| 23                               | School Leadership                                 | 6,720,242             | -                            | 468,852                                       |
| 31                               | Guidance, Counseling, and Evaluation Services     | 6,133,190             | -                            | 1,437,900                                     |
| 32                               | Social Work Services                              | 1,113,654             | -                            | 147,900                                       |
| 33                               | Health Services                                   | 2,046,147             | -                            | 633,246                                       |
| 34                               | Student (Pupil) Transportation                    | 4,379,595             | -                            | 305,603                                       |
| 35                               | Food Services                                     | 10,600,019            | 282,128                      | 9,412,913                                     |
| 36                               | Extracurricular Activities                        | 5,709,568             | 118,853                      | 107,527                                       |
| 41                               | General Administration                            | 4,532,916             | -                            | 350,878                                       |
| 51                               | Facilities Maintenance and Operations             | 14,696,218            | -                            | 659,853                                       |
| 52                               | Security and Monitoring Services                  | 2,411,637             | -                            | 204,505                                       |
| 53                               | Data Processing Services                          | 1,470,093             | -                            | 50,934  |
| 61                               | Community Services                                | 1,169,832             | -                            | 1,004,275                                     |
| 72                               | Debt Service - Interest on Long Term Debt         | 3,854,612             | -                            | 647,811                                       |
| 73                               | Debt Service - Bond Issuance Cost and Fees        | 8,463                 | -                            | -   |
| 81                               | Facilities Acquisition and Construction           | 1,606                 | -                            | -   |
| 95                               | Payments to Juvenile Justice Alternative Ed. Prg. | 7,224                 | -                            | -   |
| TG Total Governmental Activities |   | <u>159,685,501</u>    | <u>467,815</u>               | <u>36,092,850</u>                             |
| TP TOTAL PRIMARY GOVERNMENT      |   | <u>\$ 159,685,501</u> | <u>\$ 467,815</u>            | <u>\$ 36,092,850</u>                          |

|                          |  |
|--------------------------|--|
| Data<br>Control<br>Codes | General Revenues:                            |
|                          | Taxes:                                       |
| MT                       | Property Taxes, Levied for General Purposes  |
| DT                       | Property Taxes, Levied for Debt Service      |
| SF                       | State Aid - Formula Grants                   |
| GC                       | Grants and Contributions Not Restricted      |
| IE                       | Investment Earnings                          |
| MI                       | Miscellaneous Local and Intermediate Revenue |
| TR                       | Total General Revenues                       |
| CN                       | Change in Net Position                       |
| NB                       | Net Position - Beginning                     |
| PA                       | Prior Period Adjustments                     |
| NE                       | Net Position - Ending                        |

The accompanying notes are an integral part of this statement.

|                |
|----------------|
| Net (Expense)  |
| Revenue and    |
| Changes in Net |
| Position       |
| 6              |
| Primary Gov.   |
| Governmental   |
| Activities     |

|    |                      |
|----|----------------------|
| \$ | (69,513,751)         |
|    | (1,680,942)          |
|    | (1,382,131)          |
|    | (1,526,174)          |
|    | (6,251,390)          |
|    | (4,695,290)          |
|    | (965,754)            |
|    | (1,412,901)          |
|    | (4,073,992)          |
|    | (904,978)            |
|    | (5,483,188)          |
|    | (4,182,038)          |
|    | (14,036,365)         |
|    | (2,207,132)          |
|    | (1,419,159)          |
|    | (165,557)            |
|    | (3,206,801)          |
|    | (8,463)              |
|    | (1,606)              |
|    | (7,224)              |
|    | <u>(123,124,836)</u> |
|    | <u>(123,124,836)</u> |

|    |                           |
|----|---------------------------|
|    | 11,474,974                |
|    | 874,962                   |
|    | 110,937,658               |
|    | 3,971,165                 |
|    | 60,972                    |
|    | 1,471,704                 |
|    | <u>128,791,435</u>        |
|    | 5,666,599                 |
|    | 164,097,431               |
|    | <u>(186,196)</u>          |
| \$ | <u><u>169,577,834</u></u> |



DONNA INDEPENDENT SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AUGUST 31, 2014

EXHIBIT C-1

| Data Control Codes   | 10<br>General<br>Fund | 50<br>Debt<br>Service<br>Fund | Other<br>Funds      | Total<br>Governmental<br>Funds |
|--|-----------------------|-------------------------------|---------------------|--------------------------------|
| <b>ASSETS</b>  |                       |                               |                     |                                |
| 1110 Cash and Cash Equivalents                             | \$ 8,851,887          | \$ 3,149                      | \$ 926,134          | \$ 9,781,170                   |
| 1120 Investments - Current                                 | 47,752,877            | 534,154                       | -                   | 48,287,031                     |
| 1220 Property Taxes - Delinquent                           | 4,092,972             | 584,888                       | -                   | 4,677,860                      |
| 1230 Allowance for Uncollectible Taxes (Credit)            | (409,297)             | (58,489)                      | -                   | (467,786)                      |
| 1240 Receivables from Other Governments                    | 4,309,760             | 52,737                        | 1,589,885           | 5,952,382                      |
| 1260 Due from Other Funds                                  | 2,164,947             | 6,796,468                     | 539,303             | 9,500,718                      |
| 1290 Other Receivables                                     | 742,848               | -                             | -                   | 742,848                        |
| 1300 Inventories   | 493,935               | -                             | -                   | 493,935                        |
| 1000 Total Assets  | <u>67,999,929</u>     | <u>7,912,907</u>              | <u>3,055,322</u>    | <u>78,968,158</u>              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                       |                               |                     |                                |
| 1700 Deferred Outflows                                     | -                     | -                             | -                   | -                              |
| 1000a Total Assets and Deferred Outflows                   | <u>\$ 67,999,929</u>  | <u>\$ 7,912,907</u>           | <u>\$ 3,055,322</u> | <u>\$ 78,968,158</u>           |
| <b>LIABILITIES</b>   |                       |                               |                     |                                |
| 2110 Accounts payable                                      | \$ 2,857,289          | \$ 1,000                      | \$ 30,941           | \$ 2,889,230                   |
| 2150 Payroll Deductions and Withholdings Payable           | 2,756,672             | 10,736                        | -                   | 2,767,408                      |
| 2160 Accrued Wages Payable                                 | 3,361,672             | -                             | 379,006             | 3,740,678                      |
| 2170 Due to Other Funds                                    | 9,585,591             | 1,460                         | 2,165,241           | 11,752,292                     |
| 2300 Unearned Revenues                                     | 283,299               | 6,354,680                     | 144,609             | 6,782,588                      |
| 2000 Total Liabilities                                     | <u>18,844,523</u>     | <u>6,367,876</u>              | <u>2,719,797</u>    | <u>27,932,196</u>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                       |                               |                     |                                |
| 2600 Unavailable Revenues - Property Taxes                 | 3,683,524             | 526,388                       | -                   | 4,209,912                      |
| Total Deferred Inflows of Resources                        | <u>3,683,524</u>      | <u>526,388</u>                | <u>-</u>            | <u>4,209,912</u>               |
| <b>FUND BALANCE</b>  |                       |                               |                     |                                |
| 3410 Nonspendable - Inventories                            | 493,935               | -                             | -                   | 493,935                        |
| 3450 Restricted - Federal or State Funds Grant Restriction | 1,873,005             | -                             | 359,356             | 2,232,361                      |
| 3480 Restricted - Retirement of Long-Term Debt             | -                     | 1,018,643                     | -                   | 1,018,643                      |
| 3590 Assigned - Other                                      | 2,500,000             | -                             | -                   | 2,500,000                      |
| 3600 Unassigned Fund Balance                               | 40,604,942            | -                             | (23,831)            | 40,581,111                     |
| 3000 Total Fund Balances                                   | <u>45,471,882</u>     | <u>1,018,643</u>              | <u>335,525</u>      | <u>46,826,050</u>              |
| 4000 Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 67,999,929</u>  | <u>\$ 7,912,907</u>           | <u>\$ 3,055,322</u> | <u>\$ 78,968,158</u>           |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
AUGUST 31, 2014

EXHIBIT C-1r

|   |           |                           |
|---|-----------|---------------------------|
| <b>Total Fund Balances - Governmental Funds</b>   | \$        | 46,826,050                |
| 1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.  |           | 2,254,894                 |
| 2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$262,262,398 and the accumulated depreciation was \$50,522,046. In addition, long-term liabilities, including bonds payable, notes payable, and capital leases payable are not due and payable in the current period, and therefore are not reported as liabilities in the fund financial statements. The long-term liabilities were \$106,099,856 at the beginning of the year. In addition, deferred charges on refunding are reported as deferred outflows of resources and are not reported in the fund financial statements. The deferred charges on refunding at the beginning of the year was \$330,115. Accrued interest payable is not reported as a liability in the fund financial statements. The accrued interest payable at the beginning of the year was \$180,046. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt is an increase to net position.  |           | 105,790,565               |
| 3 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. Proceeds from disposition of capital assets is recorded as revenue in the fund financial statements, but the resulting gain or loss on disposition of capital assets is recorded to the government-wide financial statements. Long-term obligation principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2014 capital outlay of \$10,658,580, loss on disposition of capital assets of \$19,137, the current year depreciation expense of \$3,552,020, the amortization of bond premium of \$133,720, the bond principal payments of \$5,080,000, note payable principal payments of \$612,853, capital lease principal payments of \$589,458, accreted interest on capital appreciation bonds of \$62,412, amortization of deferred loss on bond refunding of \$23,536, capital leases issued of \$2,937,637, and decrease in accrued interest payable of \$16,544 is to increase net position. |           | 10,496,413                |
| 4 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable property taxes of \$4,209,912 as revenue and eliminating interfund transactions and recording accrued interest expense. The net effect of these reclassifications is to increase net position.  |           | 4,209,912                 |
| <b>19 Net Position of Governmental Activities (See A-1)</b>   | <b>\$</b> | <b><u>169,577,834</u></b> |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT C-2

| Data Control Codes   | 10<br>General<br>Fund | 50<br>Debt Service<br>Fund | Other<br>Funds    | Total<br>Governmental<br>Funds |
|--|-----------------------|----------------------------|-------------------|--------------------------------|
| <b>REVENUES</b>  |                       |                            |                   |                                |
| 5700 Total Local and Intermediate Sources                      | \$ 13,819,874         | \$ 1,006,644               | \$ 14,660         | \$ 14,841,178                  |
| 5800 State Program Revenues                                    | 120,511,493           | 647,811                    | 141,991           | 121,301,295                    |
| 5900 Federal Program Revenues                                  | <u>12,907,033</u>     | <u>-</u>                   | <u>16,832,444</u> | <u>29,739,477</u>              |
| 5020 Total Revenues  | <u>147,238,400</u>    | <u>1,654,455</u>           | <u>16,989,095</u> | <u>165,881,950</u>             |
| <b>EXPENDITURES</b>  |                       |                            |                   |                                |
| <b>Current:</b>  |                       |                            |                   |                                |
| 0011 Instruction   | 73,862,603            | -                          | 11,806,689        | 85,669,292                     |
| 0012 Instructional Resources and Media Services                | 1,794,006             | -                          | 562,690           | 2,356,696                      |
| 0013 Curriculum and Instructional Staff Development            | 1,406,259             | -                          | 1,161,019         | 2,567,278                      |
| 0021 Instructional Leadership                                  | 1,757,228             | -                          | 576,803           | 2,334,031                      |
| 0023 School Leadership   | 6,300,066             | -                          | 151,930           | 6,451,996                      |
| 0031 Guidance, Counseling and Evaluation Services              | 4,878,522             | -                          | 1,053,066         | 5,931,588                      |
| 0032 Social Work Services                                      | 987,118               | -                          | 91,307            | 1,078,425                      |
| 0033 Health Services   | 1,439,731             | -                          | 531,378           | 1,971,109                      |
| 0034 Student (Pupil) Transportation                            | 5,532,982             | -                          | -                 | 5,532,982                      |
| 0035 Food Services   | 10,724,669            | -                          | -                 | 10,724,669                     |
| 0036 Extracurricular Activities                                | 5,925,995             | -                          | -                 | 5,925,995                      |
| 0041 General Administration                                    | 4,344,061             | -                          | -                 | 4,344,061                      |
| 0051 Facilities Maintenance and Operations                     | 14,073,070            | -                          | 9,031             | 14,082,101                     |
| 0052 Security and Monitoring Services                          | 2,454,050             | -                          | 80,000            | 2,534,050                      |
| 0053 Data Processing Services                                  | 1,753,044             | -                          | -                 | 1,753,044                      |
| 0061 Community Services  | 234,709               | -                          | 905,908           | 1,140,617                      |
| <b>Debt Service:</b>   |                       |                            |                   |                                |
| 0071 Principal on Long-Term Debt                               | 1,202,311             | 5,080,000                  | -                 | 6,282,311                      |
| 0072 Interest on Long-Term Debt                                | 37,906                | 3,881,022                  | -                 | 3,918,928                      |
| 0073 Bond Issuance Cost and Fees                               | -                     | 8,463                      | -                 | 8,463                          |
| <b>Capital Outlay:</b>   |                       |                            |                   |                                |
| 0081 Facilities Acquisition and Construction                   | 5,126,310             | -                          | 111,307           | 5,237,617                      |
| <b>Intergovernmental:</b>                                      |                       |                            |                   |                                |
| 0095 Payments to Juvenile Alternative Ed. Prg.                 | <u>7,224</u>          | <u>-</u>                   | <u>-</u>          | <u>7,224</u>                   |
| 6030 Total Expenditures  | <u>143,841,864</u>    | <u>8,969,485</u>           | <u>17,041,128</u> | <u>169,852,477</u>             |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,396,536</u>      | <u>(7,315,030)</u>         | <u>(52,033)</u>   | <u>(3,970,527)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                          |                       |                            |                   |                                |
| 7913 Proceeds from Capital Leases                              | 2,937,637             | -                          | -                 | 2,937,637                      |
| 7915 Transfers in  | -                     | 7,200,000                  | 148,514           | 7,348,514                      |
| 8911 Transfers out   | <u>(8,348,514)</u>    | <u>-</u>                   | <u>-</u>          | <u>(8,348,514)</u>             |
| 7080 Total Other Financing Sources (Uses)                      | <u>(5,410,877)</u>    | <u>7,200,000</u>           | <u>148,514</u>    | <u>1,937,637</u>               |
| 1200 Net Change in Fund Balances                               | <u>(2,014,341)</u>    | <u>(115,030)</u>           | <u>96,481</u>     | <u>(2,032,890)</u>             |
| 0100 Fund Balance - September 1 (Beginning)                    | 47,476,294            | 713,237                    | 239,044           | 48,428,575                     |
| 1300 Prior Period Adjustments                                  | <u>9,929</u>          | <u>420,436</u>             | <u>-</u>          | <u>430,365</u>                 |
| 3000 Fund Balance - August 31 (Ending)                         | <u>\$ 45,471,882</u>  | <u>\$ 1,018,643</u>        | <u>\$ 335,525</u> | <u>\$ 46,826,050</u>           |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT C-2r

|  |                     |
|--|---------------------|
| <b>Total Net Change in Fund Balances - Governmental Funds</b>  | \$ (2,032,890)      |
| 1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance and printing, to appropriate functions in other funds. The change in net position of internal funds is reported with governmental activities. The net effect of this consolidation is to increase net position.   | (2,266,297)         |
| 2 Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is capitalized and depreciated over their estimated useful lives. Total additions for the current year which were removed from fund expenditures amounted to \$10,658,580. Depreciation expense charged to the statement of activities totaled \$3,552,020. The net book value of all assets disposed during the year totaled \$19,137.  | 7,087,423           |
| 3 Amortization of the premiums on the Series 2010 refunding and building, 2011, and 2013 bonds of \$133,720 was recorded, which increases net position.  | 133,720             |
| 4 Certain revenues are recorded on the fund financial statements when the revenue is received. In the statement of activities, revenues are recognized when earned regardless of when received. Recognizing deferred tax revenues of \$4,209,912 and removing the prior year's tax revenue of \$4,740,539 results in a net decrease in net position.   | (530,627)           |
| 5 Repayment of bond principal of \$5,080,000, note payable principal of \$612,853, and capital lease payable principal of \$589,458 is an expenditure in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position and are not an expense on the statement of activities. This increases net position. Issuance of capital leases of \$2,937,637 is a source of funds in the governmental funds, but the receipt increases long-term liabilities in the statement of net position. This reduces net position. Net increase in accreted interest on capital appreciation bonds of \$62,412 increases long-term liabilities. Finally, deferred charge on bond refunding of \$23,536 is amortized in the government-wide financial statements and decreases net position. The decrease in accrued interest payable of \$16,544 increases net position. The net result of all of the above adjustments is a net increase to the change in net position. | 3,275,270           |
| <b>Change in Net Position of Governmental Activities (See B-1)</b>   | <u>\$ 5,666,599</u> |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT C-3

| Data<br>Control<br>Codes        |  | Budgeted Amounts     |                      | Actual Amounts<br>(GAAP) Basis | Variance With<br>Final Budget |
|---------------------------------|--|----------------------|----------------------|--------------------------------|-------------------------------|
|                                 |  | Original             | Final                |                                | Positive or<br>(Negative)     |
| REVENUES:                       |  |                      |                      |                                |                               |
| 5700                            | Total Local and Intermediate Sources                         | \$ 12,381,000        | \$ 12,848,105        | \$ 13,819,874                  | \$ 971,769                    |
| 5800                            | State Program Revenues                                       | 117,938,602          | 119,068,613          | 120,511,493                    | 1,442,880                     |
| 5900                            | Federal Program Revenues                                     | 905,000              | 13,550,754           | 12,907,033                     | (643,721)                     |
| 5020                            | Total revenues   | <u>131,224,602</u>   | <u>145,467,472</u>   | <u>147,238,400</u>             | <u>1,770,928</u>              |
| EXPENDITURES:                   |  |                      |                      |                                |                               |
| Current:                        |  |                      |                      |                                |                               |
| 0011                            | Instruction  | 73,397,168           | 74,841,413           | 73,862,603                     | 978,810                       |
| 0012                            | Instructional Resources and Media Services                   | 1,524,631            | 1,833,250            | 1,794,006                      | 39,244                        |
| 0013                            | Curriculum and Instructional Staff Development               | 1,327,929            | 1,485,914            | 1,406,259                      | 79,655                        |
| 0021                            | Instructional Leadership                                     | 2,169,473            | 1,713,309            | 1,757,228                      | (43,919)                      |
| 0023                            | School Leadership  | 6,447,072            | 6,243,707            | 6,300,066                      | (56,359)                      |
| 0031                            | Guidance, Counseling and Evaluation Services                 | 4,982,526            | 5,035,579            | 4,878,522                      | 157,057                       |
| 0032                            | Social Work Services   | 1,212,959            | 978,461              | 987,118                        | (8,657)                       |
| 0033                            | Health Services  | 1,644,160            | 1,506,345            | 1,439,731                      | 66,614                        |
| 0034                            | Student (Pupil) Transportation                               | 3,932,094            | 4,356,345            | 5,532,982                      | (1,176,637)                   |
| 0035                            | Food Services  | 250,000              | 11,074,240           | 10,724,669                     | 349,571                       |
| 0036                            | Extracurricular Activities                                   | 5,003,522            | 6,034,606            | 5,925,995                      | 108,611                       |
| 0041                            | General Administration                                       | 5,718,057            | 4,640,289            | 4,344,061                      | 296,228                       |
| 0051                            | Facilities Maintenance and Operations                        | 14,608,592           | 15,288,826           | 14,073,070                     | 1,215,756                     |
| 0052                            | Security and Monitoring Services                             | 2,009,669            | 2,358,293            | 2,454,050                      | (95,757)                      |
| 0053                            | Data Processing Services                                     | 1,808,738            | 1,779,109            | 1,753,044                      | 26,065                        |
| 0061                            | Community Services   | 246,901              | 247,740              | 234,709                        | 13,031                        |
| Debt Service:                   |  |                      |                      |                                |                               |
| 0071                            | Principal on Long-Term Debt                                  | 1,070,521            | 1,339,052            | 1,202,311                      | 136,741                       |
| 0072                            | Interest on Long-Term Debt                                   | -                    | -                    | 37,906                         | (37,906)                      |
| Capital Outlay:                 |  |                      |                      |                                |                               |
| 0081                            | Facilities Acquisition and Construction                      | 2,800,000            | 5,843,842            | 5,126,310                      | 717,532                       |
| Intergovernmental:              |  |                      |                      |                                |                               |
| 0095                            | Payments to Juvenile Alternative Ed. Prg.                    | 113,760              | 124,835              | 7,224                          | 117,611                       |
| 6030                            | Total Expenditures   | <u>130,267,772</u>   | <u>146,725,155</u>   | <u>143,841,864</u>             | <u>2,883,291</u>              |
| 1100                            | Excess (Deficiency) of Revenues Over (Under)<br>Expenditures | 956,830              | (1,257,683)          | 3,396,536                      | 4,654,219                     |
| OTHER FINANCING SOURCES (USES): |  |                      |                      |                                |                               |
| 7913                            | Proceeds from Capital Leases                                 | -                    | -                    | 2,937,637                      | 2,937,637                     |
| 8911                            | Transfer out   | (956,830)            | (10,685,285)         | (8,348,514)                    | 2,336,771                     |
| 7080                            | Total Other Financing Sources (Uses)                         | <u>(956,830)</u>     | <u>(10,685,285)</u>  | <u>(5,410,877)</u>             | <u>5,274,408</u>              |
| 1200                            | Net Change in Fund Balances                                  | -                    | (11,942,968)         | (2,014,341)                    | 9,928,627                     |
| 0100                            | Fund Balance - September 1 (Beginning)                       | 47,476,294           | 47,476,294           | 47,476,294                     | -                             |
| 1300                            | Prior Period Adjustments                                     | -                    | -                    | 9,929                          | 9,929                         |
| 3000                            | Fund Balance - August 31 (Ending)                            | <u>\$ 47,476,294</u> | <u>\$ 35,533,326</u> | <u>\$ 45,471,882</u>           | <u>\$ 9,938,556</u>           |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AUGUST 31, 2014

|                            | Governmental<br>Activities |
|----------------------------|----------------------------|
|                            | Internal Service<br>Funds  |
| <b>ASSETS</b>              |                            |
| Current assets:            |                            |
| Cash and Cash Equivalents  | \$ 10,564                  |
| Investments - Current      | 1,357,727                  |
| Due from Other Governments | 356,488                    |
| Due from Other Funds       | <u>2,286,808</u>           |
| Total Assets               | <u>4,011,587</u>           |
| <b>LIABILITIES</b>         |                            |
| Current Liabilities:       |                            |
| Accounts Payable           | 1,662,929                  |
| Accrued Expenses           | 46,961                     |
| Due to Other Funds         | <u>46,803</u>              |
| Total Liabilities          | <u>1,756,693</u>           |
| <b>NET POSITION</b>        |                            |
| Unrestricted Net Position  | <u>2,254,894</u>           |
| Total Net Position         | <u><u>\$ 2,254,894</u></u> |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

|  | Governmental<br>Activities<br>Internal Service<br>Funds |
|--|---|
| <b>OPERATING REVENUES:</b>                     |   |
| Local and Intermediate Sources                 | \$ 11,050,453   |
| Total Operating Revenues                       | 11,050,453  |
| <b>OPERATING EXPENSES:</b>                     |   |
| Professional and Contracted Services           | 659,922   |
| Other Operating Costs                          | 13,657,605  |
| Total Operating Expenses                       | 14,317,527  |
| Operating Loss                                 | (3,267,074)   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>       |   |
| Earnings from Temporary Deposits & Investments | 777   |
| Transfers in                                   | 1,000,000   |
| Total Nonoperating Revenues                    | 1,000,777   |
| Change in Net Position                         | (2,266,297)   |
| Total Net Position - September 1 (Beginning)   | 4,521,191   |
| Total Net Position - August 31 (Ending)        | \$ 2,254,894  |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED AUGUST 31, 2014

|   | Governmental<br>Activities<br>Internal<br>Service Funds |
|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>         |   |
| Charges for Services                                | \$ 9,865,443  |
| Cash Payments for Other Operating Costs             | (610,007)   |
| Cash Payments for Claims and Contracted Services    | <u>(12,860,386)</u>                                     |
| Net Cash Used by Operating Activities               | <u>(3,604,950)</u>                                      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>         |   |
| Interest on Investments                             | <u>777</u>  |
| Net Cash Provided by Investing Activities           | <u>777</u>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>         |   |
| Transfers in  | <u>1,000,000</u>  |
| Net Cash Provided by Financing Activities           | <u>1,000,000</u>  |
| Net Decrease in Cash and Cash Equivalents           | (2,604,173)   |
| Cash and Cash Equivalents - Beginning of the Year   | <u>3,972,464</u>  |
| Cash and Cash Equivalents - End of the Year         | <u>\$ 1,368,291</u>                                     |
| Reconciliation of Operating Loss to Net Cash        |   |
| Used by Operating Activities:                       |   |
| Operating Income                                    | \$ (3,267,074)  |
| Adjustments to Reconcile Operating Loss to Net Cash |   |
| Used by Operating Activities:                       |   |
| Change in Assets and Liabilities:                   |   |
| Due from Other Governments                          | (356,488)   |
| Due from/to Other Funds                             | (809,474)   |
| Accounts Payable                                    | <u>828,086</u>  |
| Net Cash Used by Operating Activities               | <u>\$ (3,604,950)</u>                                   |
| Reconciliation of Cash and Cash Equivalents         |   |
| Cash and cash equivalents                           | \$ 10,564   |
| Investments - current                               | <u>1,357,727</u>  |
|   | <u>\$ 1,368,291</u>                                     |

The accompanying notes are an integral part of this statement.



DONNA INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
AUGUST 31, 2014

EXHIBIT E-1

|   | Private<br>Purpose<br>Trust Funds | Investment<br>Trust Fund | Agency<br>Funds   |
|---|-----------------------------------|--------------------------|-------------------|
| <b>ASSETS</b>                               |                                   |                          |                   |
| Cash and Cash Equivalents                   | \$ 26,100                         | \$ 3,769                 | \$ 525,471        |
| Due from Other Funds                        | 11,265                            | -                        | 261,634           |
| Due from Other Governments                  | -                                 | -                        | 1,315             |
| Total Assets                                | <u>\$ 37,365</u>                  | <u>\$ 3,769</u>          | <u>\$ 788,420</u> |
| <b>LIABILITIES</b>                          |                                   |                          |                   |
| Accounts Payable                            | \$ 1,900                          | \$ -                     | \$ 9,286          |
| Payroll Deductions and Withholdings Payable | -                                 | -                        | 9,489             |
| Due to Student Groups                       | 23,338                            | -                        | 351,396           |
| Due to Other Funds                          | 12,127                            | -                        | 249,203           |
| Due to Other Governments                    | -                                 | -                        | 168,935           |
| Payable from Restricted Assets              | -                                 | -                        | 111               |
| Total Liabilities                           | <u>\$ 37,365</u>                  | <u>\$ -</u>              | <u>\$ 788,420</u> |
| <b>NET POSITION</b>                         |                                   |                          |                   |
| Assets Held in Trust for Scholarships       |                                   | \$ 2,769                 |                   |
| Assets Held in Trust for Other Purposes     |                                   | <u>1,000</u>             |                   |
| Total Net Position                          |                                   | <u>\$ 3,769</u>          |                   |

The accompanying notes are an integral part of this statement.

DONNA INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CHANGE IN FIDUCIARY FUND NET POSITION  
 FIDUCIARY FUNDS  
 AUGUST 31, 2014

EXHIBIT E-2

|                              | Private<br>Purpose<br>Trust Funds | Investment<br>Trust Fund |
|------------------------------|-----------------------------------|--------------------------|
| Change in Net Position       | \$ -                              | \$ -                     |
| Total Net Position Beginning | <u>-</u>                          | <u>3,769</u>             |
| Total Net Position - Ending  | <u>\$ -</u>                       | <u>\$ 3,769</u>          |

The accompanying notes are an integral part of this statement.

**THIS PAGE LEFT BLANK INTENTIONALLY**

## DONNA INDEPENDENT SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

#### *Note 1: REPORTING ENTITY*

The Board of Trustees, a seven-member group, has fiscal accountability over all activities related to public elementary and secondary education within the jurisdiction of the Donna Independent School District (the District). The public elects the members of the Board of Trustees. The Trustees as a body corporate have the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency (TEA) or to the State Board of Education are reserved for the Trustees, and the Agency may not substitute its judgment for the lawful exercise of those powers and duties by the Trustees. The District is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. There are no component units included within the reporting entity. The financial statements of the District include all activities for which the Board exercises these governance responsibilities.

The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

#### *Note 2: GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### *Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION*

The government-wide financial statements, as well as the proprietary and fiduciary fund financial statements, are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes and penalties and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 3: MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION  
(continued)*

The government reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Debt Service Fund*, a governmental fund type, accounts for financial resources that are restricted, committed or assigned for principal and interest on long-term debt of governmental activities.

The government reports the following proprietary funds:

*Internal service funds* account for revenues and expenses related to services provided to parties inside the District on a cost reimbursement basis. The District's internal service funds include the following: print shop fund, vending machine (beverage) fund and worker's compensation fund.

Additionally, the government reports the following nonmajor funds:

The *Special Revenue Funds*, a governmental fund type, account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The District accounts for each federal and state grant in a separate special revenue fund.

The *Capital Projects Fund*, a governmental fund type, accounts for the bond resources restricted to build, acquire, and renovate major general capital assets.

The government reports the following fiduciary funds:

*Private Purpose Trust Funds*, a fiduciary fund type, accounts for donations which have stipulations that the principal not be expended; only the income may be used for a specific purpose.

*Agency funds*, a fiduciary fund type, account for resources held for others in a custodial capacity.

*Investment Trust Fund*, a fiduciary fund type, accounts for assets held by the District in trust for other entities participating in an investment program managed by the District. The District has one such fund which accounts for the Rosita Alcorn Scholarship activity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the worker's compensation insurance internal service fund are District contributions. Operating expenses include claims expense and administrative expense for administering the insurance fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources, as they are needed.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 4: ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR EQUITY*

Deposits and investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the District are reported at fair value. The local government investment pools are operated in accordance with appropriate state laws and regulations. The reported values of the pools are the same as the fair value of the pool shares.

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Capital assets

Capital assets, which include property, plant and equipment, are reported in the governmental activities column in the statement of net position. The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>               | <u>Years</u> |
|-----------------------------|--------------|
| Buildings                   | 50           |
| Building Improvements       | 20           |
| Vehicles                    | 5            |
| Office & Computer Equipment | 5            |

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 4: ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION OR EQUITY  
(continued)*

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

*Note 5: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*

Budgetary information

Formal budgetary accounting is employed for all required Governmental Fund Types, as outlined in TEA's Financial Accounting Resource module, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required Governmental Fund Types prior to August 20 of the preceding fiscal year for the subsequent fiscal year beginning September 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund and the Food Service General Revenue Fund. The remaining special revenue funds adopt project-length budgets that do not correspond to the District's fiscal year.

*Note 6: DETAILED NOTES ON ALL FUNDS*

Deposits

Under Texas state law, the District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent, bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation FDIC insurance.

The District's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes that they complied with all significant requirements of the PFIA and the District's investment policies.

*Custodial credit risk – deposits.* The District's cash deposits at August 31, 2014, were entirely covered by FDIC insurance and pledged collateral held by the District's agent bank, Wells Fargo Bank of McAllen, TX, in the District's name.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 6: DETAILED NOTES ON ALL FUNDS (continued)*

Investments

State statutes and Board policy authorize the District to invest in 1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit; (3) certain municipal securities; (4) money market savings accounts; (5) repurchase agreements; (6) bankers' acceptances; (7) mutual funds; (8) investment pools; (9) guaranteed investment contracts; (10) and common trust funds.

The District's investments at August 31, 2014, are shown below:

| <u>Investment Type</u> | <u>Fair Value</u>    | <u>Weighted Average<br/>Maturity (Days) *</u> | <u>Rating</u> |
|------------------------|----------------------|---|---------------|
| TexPool                | \$ 49,644,758        | 46  | AAAm          |
| Total                  | \$ <u>49,644,758</u> |   |               |

\*To arrive at weighted average maturity, the maturity of floating rate and variable rate securities was deemed to be the final maturity of such securities.

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. The reported value of the pool is the same as the fair value of the pool shares. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

*Interest rate risk.* In accordance with state law and its investment policy, the District does not purchase any investments greater than five (5) years for its operating funds. The weighted-average maturity for TexPool was 53 days at August 31, 2014.

*Credit risk.* State law and District policy limit investments in public funds investment pools to those rated no lower than AAA or AAAm or an equivalent rating by at least one nationally recognized rating service. TexPool is rated AAAm by Standard & Poor's.

*Concentration of credit risk.* The District's investment policy does not limit investments in any one issuer except that the investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific issuer.

Property Tax

In the fund financial statements, property tax revenues are considered available when collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The District levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by January 31 of the year following the October 1 levy date. The assessed value of the property tax roll (net of exemptions) on January 1, 2013, upon which the levy for the August 31, 2014, fiscal year was based, was \$1,038,735,273. Taxes are delinquent if not paid by February 1. Delinquent taxes are subject to both penalty and interest charges plus delinquent collection fees for attorney costs.

Current tax collections for the year ended August 31, 2014 were 90.8% of the year-end adjusted tax levy. Allowances for uncollectible taxes within the General and Debt Service Funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of August 31, 2014, property taxes receivable, net of estimated uncollectible taxes, totaled \$4,210,074.



DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 6: DETAILED NOTES ON ALL FUNDS (continued)*

The tax rate to finance general governmental services other than payment of principal and interest on long-term obligations was \$1.17 per \$100 and the tax rate to finance the payment of principal and interest on long-term obligations was \$0.0882 per \$100 for the year ended August 31, 2014.

Due From Other Governments

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. In the fund financial statements, amounts due from federal and state governments as of August 31, 2014, are summarized below.

| Fund                        | Local<br>Tax Revenue | State Grants/<br>Entitlements | Federal<br>Grants   | Total               |
|-----------------------------|----------------------|-------------------------------|---------------------|---------------------|
| General Fund                | \$ 444,317           | \$ 3,562,341                  | \$ 303,102          | \$ 4,309,760        |
| Debt Service Fund           | 52,737               | -                             | -                   | 52,737              |
| Nonmajor Governmental Funds | -                    | -                             | 1,589,885           | 1,589,885           |
|                             | <u>\$ 497,054</u>    | <u>\$ 3,562,341</u>           | <u>\$ 1,892,987</u> | <u>\$ 5,952,382</u> |

Interfund Receivables and Payables

The composition of interfund balances as of August 31, 2014, is as follows:

|                             | Due From<br>Other Funds | Due To<br>Other Funds |
|-----------------------------|-------------------------|-----------------------|
| General Fund                |                         |                       |
| Debt Service Fund           | \$ 1,396                | \$ 6,796,468          |
| Nonmajor Governmental Funds | 2,128,708               | 533,237               |
| Internal Service Fund       | -                       | 2,210,405             |
| Trust and Agency Funds      | 34,843                  | 45,481                |
| Debt Service Fund           |                         |                       |
| General Fund                | 6,796,468               | 1,396                 |
| Trust and Agency Funds      | -                       | 64                    |
| Nonmajor Governmental Funds |                         |                       |
| General Fund                | 533,237                 | 2,128,708             |
| Internal Service Fund       | -                       | 29,877                |
| Nonmajor Governmental Funds | 6,066                   | 6,066                 |
| Trust and Agency Funds      | -                       | 590                   |
| Internal Service Fund       |                         |                       |
| General Fund                | 2,210,405               | -                     |
| Nonmajor Governmental Funds | 29,877                  | -                     |
| Internal Service Fund       | 46,503                  | 46,503                |
| Trust and Agency Funds      | 23                      | 300                   |
| Trust and Agency Funds      |                         |                       |
| General Fund                | 45,481                  | 34,843                |
| Debt Service Fund           | 64                      | -                     |
| Nonmajor Governmental Funds | 590                     | -                     |
| Internal Service Fund       | 300                     | 23                    |
| Totals                      | <u>\$ 11,833,961</u>    | <u>\$ 11,833,961</u>  |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 6: DETAILED NOTES ON ALL FUNDS (continued)*

These interfund receivables and payables resulted from the time lag between the dates that 1) interfund goods and services are provided when reimbursable expenditures occur, and 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Balances also result from interfund payroll transactions and end of year reclassifications made between funds.

Interfund Transfers

|                       | Transfer in  | Transfer out |
|-----------------------|--------------|--------------|
| General Fund          |              |              |
| Debt Service Fund     | \$ -         | \$ 7,200,000 |
| Capital Projects Fund | -            | 148,514      |
| Internal Service Fund | -            | 1,000,000    |
| Debt Service Fund     |              |              |
| General Fund          | 7,200,000    | -            |
| Capital Projects Fund |              |              |
| General Fund          | 148,514      | -            |
| Internal Service Fund |              |              |
| General Fund          | 1,000,000    | -            |
|                       | \$ 8,348,514 | \$ 8,348,514 |

The purpose of the above transfers was to fund debt service obligations, remaining capital project expenditures, and to fund internal service obligations.

Capital Assets

Capital asset activity for the year ended August 31, 2014 was as follows:

|   | Beginning<br>Balance | Increases    | Decreases   | Ending<br>Balance |
|---|----------------------|--------------|-------------|-------------------|
| Capital assets, not being depreciated:      |                      |              |             |                   |
| Land  | \$ 11,376,990        | \$ 361,730   | \$ -        | \$ 11,738,720     |
| Construction in progress                    | -                    | 3,419,997    | -           | 3,419,997         |
| Total capital assets, not being depreciated | 11,376,990           | 3,781,727    | -           | 15,158,717        |
| Capital assets, being depreciated:          |                      |              |             |                   |
| Buildings and improvements                  | 219,900,964          | 1,902,984    | -           | 221,803,948       |
| Furniture and equipment                     | 20,500,115           | 2,036,232    | (19,137)    | 22,517,210        |
| Capital leased assets                       | 10,484,329           | 2,937,637    | -           | 13,421,966        |
| Total capital assets being depreciated      | 250,885,408          | 6,876,853    | (19,137)    | 257,743,124       |
| Less accumulated depreciation for:          |                      |              |             |                   |
| Buildings and improvements                  | (37,752,962)         | (1,963,364)  | -           | (39,716,326)      |
| Furniture and equipment                     | (11,331,722)         | (1,480,320)  | -           | (12,812,042)      |
| Capital leased assets                       | (1,437,362)          | (108,336)    | -           | (1,545,698)       |
| Total accumulated depreciation              | (50,522,046)         | (3,552,020)  | -           | (54,074,066)      |
| Total capital assets being depreciated, net | 200,363,362          | 3,324,833    | (19,137)    | 203,669,058       |
| Governmental activities capital assets, net | \$ 211,740,352       | \$ 7,106,560 | \$ (19,137) | \$ 218,827,775    |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 6: DETAILED NOTES ON ALL FUNDS (continued)*

The District has open construction contracts for various campus projects under construction with remaining commitments of approximately \$2,508,879 at August 31, 2014.

Depreciation expense was charged to the District's functions as follows:

|  |                     |
|--|---------------------|
| Instruction  | \$ 2,280,710        |
| Instructional resources and media                    | 43,067              |
| Curriculum and staff development                     | 24,548              |
| Institutional leadership                             | 47,799              |
| School leadership                                    | 131,721             |
| Guidance, counseling and evaluation services         | 76,089              |
| Social work services                                 | 12,409              |
| Health services                                      | 33,339              |
| Student transportation                               | 108,384             |
| Food service   | 224,501             |
| Extracurricular activities                           | 79,740              |
| General administration                               | 96,934              |
| Plant maintenance and operations                     | 317,917             |
| Security and monitoring services                     | 40,592              |
| Data processing services                             | 29,191              |
| Community services                                   | 5,079               |
| Total depreciation expense - governmental activities | <u>\$ 3,552,020</u> |

*Note 7: RISK MANAGEMENT*

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2014, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

*Note 8: CONTINGENCIES*

The District is not a party to any legal actions that are believed by administration to have a material effect on the financial condition of the District. Accordingly, no provision for losses has been recorded in the accompanying basic financial statements for such contingencies.

The District participates in numerous state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collectability of any related receivable at August 31, 2014, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

*Note 9: ACCUMULATED UNPAID VACATION AND SICK LEAVE BENEFITS*

Vacations are taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability for vacation leave has been accrued in the accompanying financial statements. Employees of the District are entitled to sick leave based on category/class of employment. Sick leave is allowed to be accumulated but does not vest. Therefore, a liability for unused sick leave has not been recorded in the accompanying financial statements.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 10: PENSION PLAN OBLIGATIONS*

*Plan Description* - The District contributes to the Teacher Retirement System of Texas (TRS), a cost-sharing, multiple employer defined benefit pension plan. TRS administers retirement and disability annuities, and death and survivor benefits to employees and beneficiaries of employees of the public school systems of Texas. It operates primarily under the provisions of the Texas Constitution, Article XVI, Sec. 67, and Texas Government Code, Title 8, Subtitle C. TRS also administers proportional retirement benefits and service credit transfer under Texas Government Code, Title 8, Chapters 803 and 805, respectively. The Texas state legislature has the authority to establish and amend benefit provisions of the pension plan and may, under certain circumstances, grant special authority to the TRS Board of Trustees. TRS issues a publicly available financial report that includes financial statements and required supplementary information for the defined benefit pension plan. That report may be obtained by downloading the report from the TRS Internet website, [www.trs.state.tx.us](http://www.trs.state.tx.us), under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the TRS Communications Department, 1000 Red River Street, Austin, Texas 78701.

*Funding Policy* - Contribution requirements are not actuarially determined but are established and amended pursuant to the following state funding policy: (1) The state constitution requires the legislature to establish a member contribution rate of not less than 6.0% of the member's annual compensation and a state contribution rate of not less than 6.0% and not more than 10% of the aggregate annual compensation of all members of the system during the fiscal year; (2) state statute prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contribution rates and contributions for fiscal years 2012 to 2014 are shown in the table below. The rates are set by the General Appropriations Act. In certain instances, the reporting district is required to make all or a portion of the state's and/or member's contribution and on the portion of the employees' salaries that exceeded the statutory minimum.

Contribution Rates and Contribution Amounts

| Year | Member |              | State |              | Exceeds Statutory<br>Minimum Amount |
|------|--------|--------------|-------|--------------|-------------------------------------|
|      | Rate   | Amount       | Rate  | Amount       |                                     |
| 2014 | 6.4%   | \$ 6,259,361 | 6.8%  | \$ 6,650,571 | \$ 802,922                          |
| 2013 | 6.4%   | 5,530,878    | 6.4%  | 5,530,878    | 600,176                             |
| 2012 | 6.4%   | 5,348,836    | 6.0%  | 5,014,534    | 514,330                             |

*Note 11: POSTEMPLOYMENT HEALTH BENEFITS*

*Plan Description* - The District contributes to the Texas Public School Retired Employees Group Insurance Program (TRS-Care), a cost-sharing multiple-employer defined benefit postemployment health care plan administered by TRS. TRS-Care provides health care coverage for certain persons (and their dependents) who retired under TRS. The statutory authority for the program is Texas Insurance Code, Chapter 1575. Section 1575.052 grants the TRS Board of Trustees the authority to establish and amend basic and optional group insurance coverage for participants. TRS issues a publicly available financial report that includes financial statements and required supplementary information for TRS-Care. That report may be obtained by visiting the TRS website at [www.trs.state.tx.us](http://www.trs.state.tx.us) under the TRS Publications heading, by calling the TRS Communications Department at 1-800-223-8778, or by writing to the Communications Department of TRS at 1000 Red River Street, Austin, Texas 78701.

*Funding Policy* - Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203 and 204 establish state, active employee and public school contributions, respectively. Funding for free basic coverage is provided by the program based upon public school district payroll. Per Texas Insurance Code, Chapter 1575, the public school contribution may not be less than 0.25% or greater than 0.75% of the salary of each active employee of the public school. Funding for optional coverage is provided by those participants selecting the optional coverage. Contribution rates and amounts are shown in the table on the following page for fiscal years 2012 – 2014.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 11: POSTEMPLOYMENT HEALTH BENEFITS (continued)*

| Year | Contribution Rates |            |       |            |                 |            |
|------|--------------------|------------|-------|------------|-----------------|------------|
|      | Active Member      |            | State |            | School District |            |
|      | Rate               | Amount     | Rate  | Amount     | Rate            | Amount     |
| 2014 | 0.65%              | \$ 543,249 | 1.0%  | \$ 835,768 | 0.55%           | \$ 459,672 |
| 2013 | 0.65%              | 476,355    | 0.5%  | 366,427    | 0.55%           | 476,355    |
| 2012 | 0.65%              | 635,593    | 1.0%  | 977,836    | 0.55%           | 537,810    |

*Medicare Part D* – The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the TRS-Care to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. These on-behalf payments have been recognized as equal revenues and expenditures by the District, in the amount of \$301,247, \$264,870, and \$280,085 for the years ended August 31, 2014, 2013, and 2012 respectively.

*Note 12: WORKERS COMPENSATION INSURANCE*

The District's workers' compensation plan is administered by an independent claims administrator who reviews and processes all workers' compensation claims. The District pays each month an amount equal to the actual paid losses plus a fee based on the number of claimants. The District has in place specific stop loss coverage of \$400,000 for any one accident or occurrence up to a maximum limit of \$3,000,000.

The following is a reconciliation of workers' compensation claims during the previous two years:

|                                  | 2014       | 2013       |
|----------------------------------|------------|------------|
| Claims payable beginning of year | \$ 264,325 | \$ 274,367 |
| Claims incurred                  | 668,717    | 938,080    |
| Claims paid                      | (622,994)  | (948,122)  |
| Claims payable end of year       | \$ 310,048 | \$ 264,325 |

*Note 13: UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES*

Unearned revenue at year-end in the fund financial statements consisted of the following:

|                               | General    | Debt         | Other        |              |
|-------------------------------|------------|--------------|--------------|--------------|
|                               | Fund       | Service      | Governmental | Total        |
|                               | Fund       | Fund         | Funds        | Total        |
| State and local grant revenue | \$ 283,299 | \$ 6,354,680 | \$ 144,609   | \$ 6,782,588 |
|                               | \$ 283,299 | \$ 6,354,680 | \$ 144,609   | \$ 6,782,588 |

Deferred inflows of resources at year-end in the fund financial statements consisted of the following:

|                                      | General      | Debt       |              |
|--------------------------------------|--------------|------------|--------------|
|                                      | Fund         | Service    | Total        |
|                                      | Fund         | Fund       | Total        |
| Unavailable revenue - property taxes | \$ 3,683,524 | \$ 526,388 | \$ 4,209,912 |
|                                      | \$ 3,683,524 | \$ 526,388 | \$ 4,209,912 |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 14: REVENUES FROM LOCAL AND INTERMEDIATE SOURCES*

For the year ended August 31, 2014, revenues from local and intermediate sources reported in the fund financial statements for governmental fund types consisted of the following:

|  | General<br>Fund      | Debt<br>Service<br>Fund | Nonmajor<br>Governmental<br>Funds | Total                |
|--|----------------------|-------------------------|-----------------------------------|----------------------|
| Property taxes                                 | \$ 11,972,052        | \$ 908,511              | \$ -                              | \$ 12,880,563        |
| Food sales                                     | 282,128              | -                       | -                                 | 282,128              |
| Investment income                              | 61,099               | 668                     | -                                 | 61,767               |
| Penalties, interest & other tax related income | 1,163,731            | 97,465                  | -                                 | 1,261,196            |
| Co-curricular student activities               | 118,853              | -                       | -                                 | 118,853              |
| Tuition and fees                               | 13,075               | -                       | -                                 | 13,075               |
| Gifts and bequests                             | -                    | -                       | -                                 | -                    |
| Other  | 208,936              | -                       | 14,660                            | 223,596              |
|  | <u>\$ 13,819,874</u> | <u>\$ 1,006,644</u>     | <u>\$ 14,660</u>                  | <u>\$ 14,841,178</u> |

*Note 15: LONG-TERM OBLIGATIONS*

Notes Payable

The District issued Sports Facility Revenue Note Series 2001 for \$1,500,000. This note was secured by all future revenues generated by the District's Sports Facility System and carried an interest rate of 6.4%. The note was paid in full during the year ended August 31, 2014.

On March 26, 2013, the District issued a note payable for \$1,391,191 to finance the purchase of 15 school buses. The note is payable in annual installments of \$474,950, including interest at 1.85% and is due in full on July 15, 2015.

The note is collateralized by the school buses. A schedule of future maturities of notes payable follows:

| Fiscal<br>Year | Annual<br>Requirements |
|----------------|------------------------|
| 2015           | \$ 466,323             |
| Total          | <u>\$ 466,323</u>      |

Bonds Payable

On September 25, 2002, the District issued \$17,000,000 in Unlimited Tax School Building Bonds, Series 2002 in order to acquire land, buildings and equipment previously financed by the District under a lease purchase agreement, construct new school instructional facilities, improve existing school instructional facilities, and to pay issuance costs. The bonds consisted of \$17,000,000 in current interest bonds with a rate of 2.0 – 5.0%, with final maturity on February 15, 2020.

On August 31, 2004, the District issued \$16,000,000 in Unlimited Tax School Building Bonds, Series 2004 in order to construct and equip school buildings, purchase the necessary sites therefor, and to pay issuance costs. The bonds consisted of \$16,000,000 in current interest bonds with a rate of 3.0 – 4.3%, with final maturity on February 15, 2019.

On April 28, 2005, the District issued \$26,870,000 in Unlimited Tax Refunding Bonds, Series 2005 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$26,140,000 in current interest bonds with a rate of 3.0 – 5.0%, with final maturity on February 15, 2020 and \$730,000 in Premium Capital Appreciation Bonds with a yield of 3.80%; the Premium Capital Appreciation Bonds matured on February 15, 2010.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 15: LONG-TERM OBLIGATIONS (continued)*

On November 16, 2007, the District issued \$9,165,000 in Unlimited Tax Refunding Bonds, Series 2007 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$7,875,000 in current interest bonds with a rate of 4.0 – 4.25%, with final maturity on February 15, 2025, \$1,280,000 in Term Bonds with a rate of 3.45% to 4.0%, with final maturity on February 15, 2020, and \$10,000 in Premium Capital Appreciation Bonds with a yield of 4.23%, with final maturity on February 15, 2021.

On October 20, 2010, the District issued \$7,990,000 in Unlimited Tax Refunding Bonds, Series 2010 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$7,990,000 in current interest bonds with a rate of 2.0 – 4.0%, with final maturity on February 15, 2027.

On August 23, 2010, the District issued \$51,955,000 in Unlimited Tax School Building Bonds, Series 2010 in order to fund construction of a new high school and to pay issuance costs. The bonds consisted of \$27,890,000 in current interest bonds with a rate of 2.0 – 5.0%, with final maturity on February 15, 2030 and \$24,065,000 in Term Bonds with a rate of 4.0% with final maturity on February 15, 2040.

On November 23, 2011, the District issued \$8,630,000 in Unlimited Tax Refunding Bonds, Series 2011 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$8,455,000 in current interest bonds with a rate of 2.0 – 4.0%, with final maturity on February 15, 2034 and \$175,000 in Premium Capital Appreciation Bonds with a yield of 2.06% - 2.31%, with final maturity on February 15, 2019.

On March 20, 2013, the District issued \$7,150,000 in Unlimited Tax Refunding Bonds, Series 2013 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$7,150,000 in current interest bonds with a rate of 2.0 – 3.5%, with final maturity on February 15, 2029.

The District defeased outstanding general obligation bonds through the Refunding General Obligation Series by placing the proceeds of the new bonds in an escrow fund to provide for the future debt service payment on the old bonds. Accordingly, the trust account assets and defeased bonds are not included in the District's financial statements. At August 31, 2014, \$7,150,000 of the bonds defeased are still outstanding.

Debt service requirements on bonds payable are as follows:

| Fiscal<br>Year | Principal            | Interest             | Total<br>Requirements |
|----------------|----------------------|----------------------|-----------------------|
| 2015           | \$ 5,340,000         | \$ 3,667,230         | \$ 9,007,230          |
| 2016           | 5,565,000            | 3,439,915            | 9,004,915             |
| 2017           | 5,790,000            | 3,201,107            | 8,991,107             |
| 2018           | 5,835,000            | 3,159,587            | 8,994,587             |
| 2019           | 3,880,000            | 2,976,613            | 6,856,613             |
| 2020-2024      | 21,590,000           | 13,028,992           | 34,618,992            |
| 2025-2029      | 16,860,000           | 7,351,286            | 24,211,286            |
| 2030-2034      | 14,700,000           | 4,629,200            | 19,329,200            |
| 2035-2039      | 12,715,000           | 1,883,900            | 14,598,900            |
| 2040           | 2,860,000            | 57,200               | 2,917,200             |
|                | <u>\$ 95,135,000</u> | <u>\$ 43,395,030</u> | <u>\$ 138,530,030</u> |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 15: LONG-TERM OBLIGATIONS (continued)*

Long-term obligations of the District are reflected in the statement of net position at August 31, 2014. A summary of the changes in long-term liabilities follows:

|   | Beginning<br>Balance  | Additions           | Deletions             | Ending<br>Balance     | Due Within<br>One Year |
|---|-----------------------|---------------------|-----------------------|-----------------------|------------------------|
| General obligation bonds                | \$ 100,215,000        | \$ -                | \$ (5,080,000)        | \$ 95,135,000         | \$ 5,340,000           |
| Premium on bond issuance                | 2,550,111             | -                   | (133,720)             | 2,416,391             | -                      |
| Accretion on capital appreciation bonds | 1,528,040             | 62,412              | -                     | 1,590,452             | -                      |
| Notes payable                           | 1,079,176             | -                   | (612,853)             | 466,323               | 466,323                |
| Capital leases payable                  | 727,529               | 2,937,637           | (589,458)             | 3,075,708             | 1,023,630              |
| Total long-term liabilities             | <u>\$ 106,099,856</u> | <u>\$ 3,000,049</u> | <u>\$ (6,416,031)</u> | <u>\$ 102,683,874</u> | <u>\$ 6,829,953</u>    |

Unamortized bond premiums on the 2010 refunding and building, 2011, and 2013 Series bonds are reported with long-term bonds payable on the statement of net position.

Capital Leases Payable

The District leases various equipment under capital lease. The following is an analysis of the leased assets included in capital assets at August 31, 2014:

|                               | 2014                 |
|-------------------------------|----------------------|
| Equipment                     | \$ 13,421,966        |
| Less accumulated depreciation | (1,545,698)          |
| Net value                     | <u>\$ 11,876,268</u> |

The following is a schedule of future minimum payments required under the leases together with their present values as of August 31, 2014:

|   |    |                  |
|---|----|------------------|
| Year Ending                             |    |                  |
| 2015                                    | \$ | 1,302,349        |
| 2016                                    |    | 1,238,981        |
| 2017                                    |    | <u>796,115</u>   |
| Total minimum lease payments            |    | 3,337,445        |
| Less amount representing interest       |    | (261,737)        |
| Present value of minimum lease payments | \$ | <u>3,075,708</u> |

*Note 16: FUND BALANCE*

The District classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions:

*Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. At August 31, 2014, the District had \$493,935 nonspendable fund balance for inventory.

*Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. As of August 31, 2014, \$1,873,005 was restricted for food service. Fund balance restricted for the retirement of funded indebtedness totaled \$1,018,643 as of August 31, 2014. Fund balance restricted for the federal or state grants totaled \$359,356 as of August 31, 2014.



DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 16: FUND BALANCE (continued)*

*Committed* fund balance is established and modified by a resolution from the District’s Board, the District’s highest level of decision-making authority, and can be used only for the specific purposes determined by the Board’s resolution. At August 31, 2014, the District had no committed fund balance.

*Assigned* fund balance is intended to be used by the District for specific purposes but does not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign fund balance to the Superintendent. The assigned amounts can only be assigned or removed by written approval of the Superintendent. At August 31, 2014, the District had fund balance assigned for building construction, furniture and equipment of \$2,500,000.

*Unassigned* fund balance is the residual classification for the District’s general fund and includes all spendable amounts not contained in the other classifications.

The District uses restricted amounts first when both restricted and unrestricted fund balance are available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

*Note 17: GENERAL FUND FEDERAL SOURCE REVENUES*

Revenues from federal sources, which are reported in the General Fund, consist of:

| Program or service   | CFDA    | Amount               |
|--|---------|----------------------|
| ROTC reimbursement   | n/a     | \$ 62,807            |
| Medicaid reimbursement   | 93.778  | 53,759               |
| School Breakfast Program   | 10.553  | 3,859,543            |
| National School Lunch Program                                    | 10.555  | 6,513,527            |
| National School Lunch Program -<br>noncash assistance            | 10.555  | 230,229              |
| E-rate funding   | n/a     | 1,902,810            |
| Indirect costs:  |         |                      |
| Title I - Part A   | 84.010  | 199,823              |
| ESEA, Title I, Part C - Migratory Child                          | 84.011  | 50,172               |
| Title III, Part A - English<br>Language Acquisition              | 84.365A | 19,736               |
| Title II, Part A - Teacher, Principal,<br>Training & Recruitment | 84.367  | 14,627               |
| Total  |         | <u>\$ 12,907,033</u> |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 18: EXPENDITURES EXCEEDING BUDGET*

The following expenditures exceeded budget amount:

| General Fund                          | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------------|---------------|---------------|-----------------|
| 0021 Instructional Leadership         | \$ 1,713,309  | \$ 1,757,228  | \$ (43,919)     |
| 0023 School Leadership                | 6,243,707     | 6,300,066     | (56,359)        |
| 0032 Social Work Services             | 978,461       | 987,118       | (8,657)         |
| 0034 Student (Pupil) Transportation   | 4,356,345     | 5,532,982     | (1,176,637)     |
| 0052 Security and Monitoring Services | 2,358,293     | 2,454,050     | (95,757)        |
| 0072 Interest on Long-Term Debt       | -             | 37,906        | (37,906)        |

*Note 19: PRIOR PERIOD ADJUSTMENTS*

It was discovered that the District had included a portion of certain premiums on bonds payable with accrued interest payable in its fund financial statements. The premiums should not be recorded as a liability in the fund financial statements. This resulted in an understatement of fund balance and net position of \$250,319.

The District had previously recorded accrued interest payable in the fund financial statements of \$180,046 which should not be included. This resulted in an understatement of fund balance of \$180,046 at August 31, 2013.

The District had previously not recorded the accreted interest on its 2011 Capital Appreciation Bond Series. This resulted in an overstatement of net position of \$345,034 at August 31, 2013.

The District discovered an error in the calculation of the bond premium and accreted interest balances at August 31, 2013. This resulted in an overstatement of net position of \$91,481.

The following table illustrates the effect of the prior period adjustments on net position of governmental activities and governmental fund balance at August 31, 2013:

|   | <u>Effect to Net Position/Fund Balance at<br/>August 31, 2013</u> |
|---|---|
| Net Position of Governmental Activities:                              |   |
| Elimination of bond premium recorded as accrued interest              | \$ 250,319  |
| Failure to record accreted interest on Series 2011 CAB                | (345,034)   |
| Calculation errors of bond premium and accreted interest              | (91,481)  |
|   | <u>\$ (186,196)</u>   |
| Governmental Fund Balance:  |   |
| Elimination of bond premium recorded as accrued interest              | \$ 250,319  |
| Elimination of accrued interest recorded to fund financial statements | 180,046   |
|   | <u>\$ 430,365</u>   |

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

*Note 20: SUBSEQUENT EVENTS*

On October 23, 2014, the District issued \$12,390,000 in Unlimited Tax Refunding Bonds, Series 2014 in order to refund certain outstanding unlimited tax obligations of the District in order to reduce the annual debt service of the District and to pay issuance costs. The bonds consisted of \$12,390,000 in current interest bonds with a rate of 2.0 – 4.0%, with final maturity on February 15, 2020. The District intends to designate a portion of its tax rate for debt service in order to comply with the ordinance to create such tax revenues, a sinking fund sufficient to pay the interest due and each installment of principal as it becomes due.

*Note 21: UPCOMING ACCOUNTING PRONOUNCEMENTS*

In June 2012, the GASB issued Statement No. 68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement 27. This Statement requires governments providing defined benefit pension plans to recognize their long-term obligation for pension benefits as a liability on the statement of net position and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement will require the District to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the TRS plan. This Statement requires the use of the entry age normal actuarial method to be used with each period's service cost determined as a level percentage of pay and requires certain other changes to compute the pension liability and expense. This Statement also requires revised and new note disclosures and required supplementary information (RSI) to be reported by employers. The provisions of this Statement are effective for periods beginning after June 15, 2014.

The District will fully analyze the impact of this new statement prior to the effective date for the statement listed above.

**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

| Data Control Codes   | 204  | 206                                | 211                                     | 212                               |
|--|--|------------------------------------|---|-----------------------------------|
|  | ESEA Title IV<br>Safe & Drug<br>Free Schools | ESEA<br>Title X, Pt. C<br>Homeless | ESEA I, A<br>Improving<br>Basic Program | ESEA Title I<br>Part C<br>Migrant |
| <b>ASSETS</b>  |  |                                    |   |                                   |
| 1110 Cash and Cash Equivalents                             | \$ 181,164                                   | \$ -                               | \$ -                                    | \$ -                              |
| 1240 Receivables from Other Governments                    | 23,812                                       | 2,621                              | 633,475                                 | 355,396                           |
| 1260 Due from Other Funds                                  | -  | 451                                | 34,437                                  | -                                 |
| 1000 Total Assets  | <u>204,976</u>                               | <u>3,072</u>                       | <u>667,912</u>                          | <u>355,396</u>                    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |  |                                    |   |                                   |
| 1700 Deferred Outflows                                     | -  | -                                  | -                                       | -                                 |
| 1000a Total Assets and Deferred Outflows                   | <u>\$ 204,976</u>                            | <u>\$ 3,072</u>                    | <u>\$ 667,912</u>                       | <u>\$ 355,396</u>                 |
| <b>LIABILITIES</b>   |  |                                    |   |                                   |
| 2110 Accounts Payable                                      | \$ 74  | \$ -                               | \$ 25,614                               | \$ 1,640                          |
| 2160 Accrued Wages Payable                                 | 3,541  | -                                  | 150,931                                 | 59,540                            |
| 2170 Due to Other Funds                                    | 201,361                                      | 3,072                              | 491,367                                 | 294,216                           |
| 2300 Unearned Revenues                                     | -  | -                                  | -                                       | -                                 |
| 2000 Total Liabilities                                     | <u>204,976</u>                               | <u>3,072</u>                       | <u>667,912</u>                          | <u>355,396</u>                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |  |                                    |   |                                   |
| 2600 Unavailable Revenue - Property Taxes                  | -  | -                                  | -                                       | -                                 |
| Total Deferred Inflows of Resources                        | <u>-</u>                                     | <u>-</u>                           | <u>-</u>                                | <u>-</u>                          |
| <b>FUND BALANCES</b>                                       |  |                                    |   |                                   |
| 3450 Restricted - Federal or State Funds Grant Restriction | -  | -                                  | -                                       | -                                 |
| 3600 Unassigned Fund Balance                               | -  | -                                  | -                                       | -                                 |
| 3000 Total Fund Balances                                   | <u>-</u>                                     | <u>-</u>                           | <u>-</u>                                | <u>-</u>                          |
| 4000 Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 204,976</u>                            | <u>\$ 3,072</u>                    | <u>\$ 667,912</u>                       | <u>\$ 355,396</u>                 |

| 224                 | 225                   | 244                                | 255                                | 263                                    | 265                            |
|---------------------|-----------------------|------------------------------------|------------------------------------|--|--------------------------------|
| IDEA Part B Formula | IDEA Part B Preschool | Career and Technical - Basic Grant | ESEA II, A Training and Recruiting | Title III, A English Lang. Acquisition | Title IV, B Community Learning |
| \$ 688,593          | \$ -                  | \$ 24,268                          | \$ -                               | \$ -                                   | \$ 19,106                      |
| 217,535             | -                     | 7,804                              | 134,180                            | 80,553                                 | -                              |
| 1,508               | 11,017                | -                                  | -                                  | -                                      | -                              |
| <u>907,636</u>      | <u>11,017</u>         | <u>32,072</u>                      | <u>134,180</u>                     | <u>80,553</u>                          | <u>19,106</u>                  |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| <u>\$ 907,636</u>   | <u>\$ 11,017</u>      | <u>\$ 32,072</u>                   | <u>\$ 134,180</u>                  | <u>\$ 80,553</u>                       | <u>\$ 19,106</u>               |
| \$ 2,835            | \$ -                  | \$ -                               | \$ 778                             | \$ -                                   | \$ -                           |
| 118,037             | 579                   | 1,234                              | 10,034                             | 21,314                                 | -                              |
| 786,764             | 10,438                | 30,838                             | 123,368                            | 59,239                                 | 19,106                         |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| <u>907,636</u>      | <u>11,017</u>         | <u>32,072</u>                      | <u>134,180</u>                     | <u>80,553</u>                          | <u>19,106</u>                  |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| -                   | -                     | -                                  | -                                  | -                                      | -                              |
| <u>\$ 907,636</u>   | <u>\$ 11,017</u>      | <u>\$ 32,072</u>                   | <u>\$ 134,180</u>                  | <u>\$ 80,553</u>                       | <u>\$ 19,106</u>               |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 AUGUST 31, 2014

| Data Control Codes   | 272                             | 274                | 289                                       | 385                          |
|--|---------------------------------|--------------------|---|------------------------------|
|  | Medicaid<br>Admin. Claim<br>MAC | GEAR UP<br>Project | Other Federal<br>Special<br>Revenue Funds | Visually<br>Impaired<br>SSVI |
| <b>ASSETS</b>  |                                 |                    |   |                              |
| 1110 Cash and Cash Equivalents                             | \$ -                            | \$ -               | \$ -                                      | \$ -                         |
| 1240 Receivables from Other Governments                    | -                               | 134,509            | -   | -                            |
| 1260 Due from Other Funds                                  | <u>328,877</u>                  | <u>-</u>           | <u>18,947</u>                             | <u>3,225</u>                 |
| 1000 Total Assets  | <u>328,877</u>                  | <u>134,509</u>     | <u>18,947</u>                             | <u>3,225</u>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                                 |                    |   |                              |
| 1700 Deferred Outflows                                     | -                               | -                  | -   | -                            |
| 1000 Total Assets and Deferred Outflows                    | <u>\$ 328,877</u>               | <u>\$ 134,509</u>  | <u>\$ 18,947</u>                          | <u>\$ 3,225</u>              |
| <b>LIABILITIES</b>   |                                 |                    |   |                              |
| 2110 Accounts Payable                                      | \$ -                            | \$ -               | \$ -                                      | \$ -                         |
| 2160 Accrued Wages Payable                                 | -                               | 13,796             | -   | -                            |
| 2170 Due to Other Funds                                    | -                               | 120,713            | -   | -                            |
| 2300 Unearned Revenues                                     | <u>-</u>                        | <u>-</u>           | <u>18,947</u>                             | <u>3,225</u>                 |
| 2000 Total Liabilities                                     | <u>-</u>                        | <u>134,509</u>     | <u>18,947</u>                             | <u>3,225</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                                 |                    |   |                              |
| 2600 Unavailable Revenue - Property Taxes                  | -                               | -                  | -   | -                            |
| Total Deferred Inflows of Resources                        | <u>-</u>                        | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| <b>FUND BALANCES</b>                                       |                                 |                    |   |                              |
| 3450 Restricted - Federal or State Funds Grant Restriction | 328,877                         | -                  | -   | -                            |
| 3600 Unassigned Fund Balance                               | <u>-</u>                        | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 3000 Total Fund Balances                                   | <u>328,877</u>                  | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 4000 Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ 328,877</u>               | <u>\$ 134,509</u>  | <u>\$ 18,947</u>                          | <u>\$ 3,225</u>              |

| 397                           | 409                                | 410                 | 429                               | 482              | 484              |
|-------------------------------|------------------------------------|---------------------|-----------------------------------|------------------|------------------|
| Advanced Placement Incentives | High School Completion and Success | State Textbook Fund | Other State Special Revenue Funds | Latchkey Program | CCMS Daycare     |
| \$ -                          | \$ -                               | \$ -                | \$ 6,789                          | \$ -             | \$ 6,214         |
| -                             | -                                  | -                   | -                                 | -                | -                |
| <u>14,801</u>                 | <u>4,757</u>                       | <u>25,291</u>       | <u>-</u>                          | <u>-</u>         | <u>90,734</u>    |
| <u>14,801</u>                 | <u>4,757</u>                       | <u>25,291</u>       | <u>6,789</u>                      | <u>-</u>         | <u>96,948</u>    |
| -                             | -                                  | -                   | -                                 | -                | -                |
| <u>\$ 14,801</u>              | <u>\$ 4,757</u>                    | <u>\$ 25,291</u>    | <u>\$ 6,789</u>                   | <u>\$ -</u>      | <u>\$ 96,948</u> |
| \$ -                          | \$ -                               | \$ -                | \$ -                              | \$ -             | \$ -             |
| -                             | -                                  | -                   | -                                 | -                | -                |
| -                             | 188                                | -                   | 604                               | 23,831           | 136              |
| <u>14,801</u>                 | <u>4,569</u>                       | <u>25,291</u>       | <u>5,746</u>                      | <u>-</u>         | <u>66,772</u>    |
| <u>14,801</u>                 | <u>4,757</u>                       | <u>25,291</u>       | <u>6,350</u>                      | <u>23,831</u>    | <u>66,908</u>    |
| -                             | -                                  | -                   | -                                 | -                | -                |
| -                             | -                                  | -                   | -                                 | -                | -                |
| -                             | -                                  | -                   | 439                               | -                | 30,040           |
| -                             | -                                  | -                   | -                                 | (23,831)         | -                |
| -                             | -                                  | -                   | 439                               | (23,831)         | 30,040           |
| <u>\$ 14,801</u>              | <u>\$ 4,757</u>                    | <u>\$ 25,291</u>    | <u>\$ 6,789</u>                   | <u>\$ -</u>      | <u>\$ 96,948</u> |



**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2014

| Data<br>Control<br>Codes              | 499<br>Other Local<br>Special<br>Revenue Funds | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds | 699<br>Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---------------------------------------|--|--|------------------------------------|--|
| <b>ASSETS</b>                         |  |  |                                    |  |
| 1110                                  | \$ -   | \$ 926,134                                       | \$ -                               | \$ 926,134                                 |
| 1240                                  | -  | 1,589,885  | -                                  | 1,589,885                                  |
| 1260                                  | 5,258  | 539,303  | -                                  | 539,303                                    |
| 1000                                  | 5,258  | 3,055,322  | -                                  | 3,055,322                                  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |  |  |                                    |  |
| 1700                                  | -  | -  | -                                  | -  |
| 1000                                  | 5,258  | 3,055,322  | -                                  | 3,055,322                                  |
| <b>LIABILITIES</b>                    |  |  |                                    |  |
| 2110                                  | -  | 30,941   | -                                  | 30,941                                     |
| 2160                                  | -  | 379,006  | -                                  | 379,006                                    |
| 2170                                  | -  | 2,165,241  | -                                  | 2,165,241                                  |
| 2300                                  | 5,258  | 144,609  | -                                  | 144,609                                    |
| 2000                                  | 5,258  | 2,719,797  | -                                  | 2,719,797                                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |  |  |                                    |  |
| 2600                                  | -  | -  | -                                  | -  |
|                                       | -  | -  | -                                  | -  |
| <b>FUND BALANCES</b>                  |  |  |                                    |  |
| 3450                                  | -  | 359,356  | -                                  | 359,356                                    |
| 3600                                  | -  | (23,831)   | -                                  | (23,831)                                   |
| 3000                                  | -  | 335,525  | -                                  | 335,525                                    |
| 4000                                  | 5,258  | 3,055,322  | -                                  | 3,055,322                                  |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

| Data Control Codes  | 204  | 206                                | 211                                     | 212                               |
|---|--|------------------------------------|---|-----------------------------------|
|   | ESEA Title IV<br>Safe & Drug<br>Free Schools | ESEA<br>Title X, Pt. C<br>Homeless | ESEA I, A<br>Improving<br>Basic Program | ESEA Title I<br>Part C<br>Migrant |
| REVENUES:   |  |                                    |   |                                   |
| 5700 Local and Intermediate Sources                               | \$ -   | \$ -                               | \$ -                                    | \$ -                              |
| 5800 State Program Revenues                                       | -  | -                                  | -                                       | -                                 |
| 5900 Federal Program Revenues                                     | 320,300                                      | 18,496                             | 8,949,990                               | 2,702,403                         |
| 5020 Total Revenues   | <u>320,300</u>                               | <u>18,496</u>                      | <u>8,949,990</u>                        | <u>2,702,403</u>                  |
| EXPENDITURES:   |  |                                    |   |                                   |
| Current:  |  |                                    |   |                                   |
| 0011 Instruction  | -  | -                                  | 6,082,133                               | 1,837,655                         |
| 0012 Instructional Resources and Media Services                   | -  | -                                  | 562,690                                 | -                                 |
| 0013 Curriculum and Instructional Staff Development               | -  | 15,960                             | 863,612                                 | 14,799                            |
| 0021 Instructional Leadership                                     | 20,820                                       | -                                  | 257,162                                 | 293,266                           |
| 0023 School Leadership  | -  | -                                  | 7,053                                   | 144,690                           |
| 0031 Guidance, Counseling, and Evaluation Services                | 243,223                                      | -                                  | 2,787                                   | 209,860                           |
| 0032 Social Work Services   | 56,248                                       | 2,536                              | 25,667                                  | -                                 |
| 0033 Health Services  | -  | -                                  | 530,130                                 | 1,248                             |
| 0051 Facilities Maintenance and Operations                        | 9  | -                                  | 4,126                                   | 4,267                             |
| 0052 Security and Monitoring Services                             | -  | -                                  | -                                       | -                                 |
| 0061 Community Services   | -  | -                                  | 614,630                                 | 196,618                           |
| Capital Outlay:   |  |                                    |   |                                   |
| 0081 Facilities Acquisition and Construction                      | -  | -                                  | -                                       | -                                 |
| 6030 Total Expenditures   | <u>320,300</u>                               | <u>18,496</u>                      | <u>8,949,990</u>                        | <u>2,702,403</u>                  |
| 1100 Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>-</u>                                     | <u>-</u>                           | <u>-</u>                                | <u>-</u>                          |
| OTHER FINANCING SOURCES (USES):                                   |  |                                    |   |                                   |
| 7915 Transfer In  | -  | -                                  | -                                       | -                                 |
| 7080 Total Other Financing Sources (Uses)                         | <u>-</u>                                     | <u>-</u>                           | <u>-</u>                                | <u>-</u>                          |
| 1200 Net Change in Fund Balance                                   | -  | -                                  | -                                       | -                                 |
| 0100 Fund Balance - September 1 (Beginning)                       | <u>-</u>                                     | <u>-</u>                           | <u>-</u>                                | <u>-</u>                          |
| 3000 Fund Balance - August 31 (Ending)                            | <u>\$ -</u>                                  | <u>\$ -</u>                        | <u>\$ -</u>                             | <u>\$ -</u>                       |

| 224                 |                  | 225                   |               | 244                                |                | 255                                |                | 263                                    |                | 265                            |          |
|---------------------|------------------|-----------------------|---------------|------------------------------------|----------------|------------------------------------|----------------|--|----------------|--------------------------------|----------|
| IDEA Part B Formula |                  | IDEA Part B Preschool |               | Career and Technical - Basic Grant |                | ESEA II, A Training and Recruiting |                | Title III, A English Lang. Acquisition |                | Title IV, B Community Learning |          |
| \$                  | -                | \$                    | -             | \$                                 | -              | \$                                 | -              | \$                                     | -              | \$                             | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | 2,835,656        |                       | 38,732        |                                    | 295,888        |                                    | 662,716        |  | 719,977        |                                | -        |
|                     | <u>2,835,656</u> |                       | <u>38,732</u> |                                    | <u>295,888</u> |                                    | <u>662,716</u> |  | <u>719,977</u> |                                | <u>-</u> |
|                     | 2,309,574        |                       | 38,732        |                                    | 206,809        |                                    | 523,135        |  | 539,616        |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | 10,350           |                       | -             |                                    | 759            |                                    | 139,394        |  | 115,024        |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | 5,555          |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | 187            |  | -              |                                | -        |
|                     | 508,876          |                       | -             |                                    | 88,320         |                                    | -              |  | -              |                                | -        |
|                     | 6,856            |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | 59,782         |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | <u>2,835,656</u> |                       | <u>38,732</u> |                                    | <u>295,888</u> |                                    | <u>662,716</u> |  | <u>719,977</u> |                                | <u>-</u> |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
|                     | -                |                       | -             |                                    | -              |                                    | -              |  | -              |                                | -        |
| \$                  | <u>-</u>         | \$                    | <u>-</u>      | \$                                 | <u>-</u>       | \$                                 | <u>-</u>       | \$                                     | <u>-</u>       | \$                             | <u>-</u> |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

| Data Control Codes  | 272                             | 274                | 289                                       | 385                          |
|---|---------------------------------|--------------------|---|------------------------------|
|   | Medicaid<br>Admin. Claim<br>MAC | GEAR UP<br>Project | Other Federal<br>Special<br>Revenue Funds | Visually<br>Impaired<br>SSVI |
| REVENUES:   |                                 |                    |   |                              |
| 5700 Local and Intermediate Sources                               | \$ -                            | \$ -               | \$ -                                      | \$ -                         |
| 5800 State Program Revenues                                       | -                               | -                  | -   | -                            |
| 5900 Federal Program Revenues                                     | <u>54,503</u>                   | <u>233,783</u>     | -   | -                            |
| 5020 Total Revenues   | <u>54,503</u>                   | <u>233,783</u>     | -   | -                            |
| EXPENDITURES:   |                                 |                    |   |                              |
| Current:  |                                 |                    |   |                              |
| 0011 Instruction  | -                               | 230,803            | -   | -                            |
| 0012 Instructional Resources and Media Services                   | -                               | -                  | -   | -                            |
| 0013 Curriculum and Instructional Staff Development               | -                               | 1,121              | -   | -                            |
| 0021 Instructional Leadership                                     | -                               | -                  | -   | -                            |
| 0023 School Leadership  | -                               | -                  | -   | -                            |
| 0031 Guidance, Counseling, and Evaluation Services                | -                               | -                  | -   | -                            |
| 0032 Social Work Services   | -                               | -                  | -   | -                            |
| 0033 Health Services  | -                               | -                  | -   | -                            |
| 0051 Facilities Maintenance and Operations                        | -                               | -                  | -   | -                            |
| 0052 Security and Monitoring Services                             | -                               | -                  | -   | -                            |
| 0061 Community Services   | -                               | 1,859              | -   | -                            |
| Capital Outlay:   |                                 |                    |   |                              |
| 0081 Facilities Acquisition and Construction                      | <u>-</u>                        | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 6030 Total Expenditures   | <u>-</u>                        | <u>233,783</u>     | <u>-</u>                                  | <u>-</u>                     |
| 1100 Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>54,503</u>                   | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| OTHER FINANCING SOURCES (USES):                                   |                                 |                    |   |                              |
| 7915 Transfer In  | <u>-</u>                        | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 7080 Total Other Financing Sources (Uses)                         | <u>-</u>                        | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 1200 Net Change in Fund Balance                                   | 54,503                          | -                  | -   | -                            |
| 0100 Fund Balance - September 1 (Beginning)                       | <u>274,374</u>                  | <u>-</u>           | <u>-</u>                                  | <u>-</u>                     |
| 3000 Fund Balance - August 31 (Ending)                            | <u>\$ 328,877</u>               | <u>\$ -</u>        | <u>\$ -</u>                               | <u>\$ -</u>                  |

| 397                            | 409                                | 410                 | 429                               | 482              | 484          |
|--------------------------------|------------------------------------|---------------------|-----------------------------------|------------------|--------------|
| Advanced Placement Initiatives | High School Completion and Success | State Textbook Fund | Other State Special Revenue Funds | Latchkey Program | CCMS Daycare |
| \$ -                           | \$ -                               | \$ -                | \$ -                              | \$ 14,660        | \$ -         |
| -                              | -                                  | 36,797              | 80,000                            | -                | 25,194       |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | 36,797              | 80,000                            | 14,660           | 25,194       |
| -                              | -                                  | 36,797              | -                                 | -                | 1,435        |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | -                | 629          |
| -                              | -                                  | -                   | 80,000                            | -                | -            |
| -                              | -                                  | -                   | -                                 | 29,479           | 3,540        |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | 36,797              | 80,000                            | 29,479           | 5,604        |
| -                              | -                                  | -                   | -                                 | (14,819)         | 19,590       |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | -                | -            |
| -                              | -                                  | -                   | -                                 | (14,819)         | 19,590       |
| -                              | -                                  | -                   | 439                               | (9,012)          | 10,450       |
| \$ -                           | \$ -                               | \$ -                | \$ 439                            | \$ (23,831)      | \$ 30,040    |

**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

| Data Control Codes  | 499<br>Other Local<br>Special<br>Revenue Funds | Total<br>Nonmajor<br>Special<br>Revenue<br>Funds | 699<br>Capital<br>Projects<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|--|--|------------------------------------|--|
| REVENUES:   |  |  |                                    |  |
| 5700 Local and Intermediate Sources                               | \$ -   | \$ 14,660  | \$ -                               | \$ 14,660                                  |
| 5800 State Program Revenues                                       | -  | 141,991  | -                                  | 141,991                                    |
| 5900 Federal Program Revenues                                     | -  | 16,832,444                                       | -                                  | 16,832,444                                 |
| 5020 Total Revenues   | -  | 16,989,095                                       | -                                  | 16,989,095                                 |
| EXPENDITURES:   |  |  |                                    |  |
| Current:  |  |  |                                    |  |
| 0011 Instruction  | -  | 11,806,689                                       | -                                  | 11,806,689                                 |
| 0012 Instructional Resources and Media Services                   | -  | 562,690  | -                                  | 562,690                                    |
| 0013 Curriculum and Instructional Staff Development               | -  | 1,161,019  | -                                  | 1,161,019                                  |
| 0021 Instructional Leadership                                     | -  | 576,803  | -                                  | 576,803                                    |
| 0023 School Leadership  | -  | 151,930  | -                                  | 151,930                                    |
| 0031 Guidance, Counseling, and Evaluation Services                | -  | 1,053,066  | -                                  | 1,053,066                                  |
| 0032 Social Work Services   | -  | 91,307   | -                                  | 91,307                                     |
| 0033 Health Services  | -  | 531,378  | -                                  | 531,378                                    |
| 0051 Facilities Maintenance and Operations                        | -  | 9,031  | -                                  | 9,031                                      |
| 0052 Security and Monitoring Services                             | -  | 80,000   | -                                  | 80,000                                     |
| 0061 Community Services   | -  | 905,908  | -                                  | 905,908                                    |
| Capital Outlay:   |  |  |                                    |  |
| 0081 Facilities Acquisition and Construction                      | -  | -  | 111,307                            | 111,307                                    |
| 6030 Total Expenditures   | -  | 16,929,821                                       | 111,307                            | 17,041,128                                 |
| 1100 Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -  | 59,274   | (111,307)                          | (52,033)                                   |
| OTHER FINANCING SOURCES (USES):                                   |  |  |                                    |  |
| 7915 Transfer In  | -  | -  | 148,514                            | 148,514                                    |
| 7080 Total Other Financing Sources (Uses)                         | -  | -  | 148,514                            | 148,514                                    |
| 1200 Net Change in Fund Balance                                   | -  | 59,274   | 37,207                             | 96,481                                     |
| 0100 Fund Balance - September 1 (Beginning)                       | -  | 276,251  | (37,207)                           | 239,044                                    |
| 3000 Fund Balance - August 31 (Ending)                            | \$ -   | \$ 335,525                                       | \$ -                               | \$ 335,525                                 |



DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 AUGUST 31, 2014

|                            | 752<br>Print Shop<br>Fund | 753<br>Insurance<br>Fund | 754<br>Beverage<br>Fund | 771<br>Workmen's<br>Compensation<br>Fund | Total<br>Internal<br>Service<br>Funds |
|----------------------------|---------------------------|--------------------------|-------------------------|--|---------------------------------------|
| <b>ASSETS</b>              |                           |                          |                         |  |                                       |
| Current assets:            |                           |                          |                         |  |                                       |
| Cash and Cash Equivalents  | \$ -                      | \$ 3,947                 | \$ 6,360                | \$ 257                                   | \$ 10,564                             |
| Investments - Current      | -                         | 152,555                  | -                       | 1,205,172                                | 1,357,727                             |
| Due from Other Governments | -                         | 356,488                  | -                       | -  | 356,488                               |
| Due from Other Funds       | <u>70,913</u>             | <u>1,264,898</u>         | <u>386,263</u>          | <u>564,734</u>                           | <u>2,286,808</u>                      |
| Total Assets               | <u>70,913</u>             | <u>1,777,888</u>         | <u>392,623</u>          | <u>1,770,163</u>                         | <u>4,011,587</u>                      |
| <b>LIABILITIES</b>         |                           |                          |                         |  |                                       |
| Current Liabilities:       |                           |                          |                         |  |                                       |
| Accounts Payable           | 203                       | 1,352,678                | -                       | 310,048                                  | 1,662,929                             |
| Accrued Expenses           | -                         | 46,961                   | -                       | -  | 46,961                                |
| Due to Other Funds         | <u>-</u>                  | <u>46,503</u>            | <u>300</u>              | <u>-</u>                                 | <u>46,803</u>                         |
| Total Liabilities          | <u>203</u>                | <u>1,446,142</u>         | <u>300</u>              | <u>310,048</u>                           | <u>1,756,693</u>                      |
| <b>NET POSITION</b>        |                           |                          |                         |  |                                       |
| Unrestricted Net Position  | <u>70,710</u>             | <u>331,746</u>           | <u>392,323</u>          | <u>1,460,115</u>                         | <u>2,254,894</u>                      |
| Total Net Position         | <u>\$ 70,710</u>          | <u>\$ 331,746</u>        | <u>\$ 392,323</u>       | <u>\$ 1,460,115</u>                      | <u>\$ 2,254,894</u>                   |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

|   | 752<br>Print Shop<br>Fund | 753<br>Insurance<br>Fund | 754<br>Beverage<br>Fund | 771<br>Workmen's<br>Compensation<br>Fund | Total<br>Internal<br>Service<br>Funds |
|---|---------------------------|--------------------------|-------------------------|--|---------------------------------------|
| <b>OPERATING REVENUES:</b>                        |                           |                          |                         |  |                                       |
| Local and Intermediate Sources                    | \$ -                      | \$ 10,855,684            | \$ 17,115               | \$ 177,654                               | \$ 11,050,453                         |
| Total Operating Revenues                          | <u>-</u>                  | <u>10,855,684</u>        | <u>17,115</u>           | <u>177,654</u>                           | <u>11,050,453</u>                     |
| <b>OPERATING EXPENSES:</b>                        |                           |                          |                         |  |                                       |
| Professional and Contracted Services              | 12,748                    | 24,180                   | -                       | 622,994                                  | 659,922                               |
| Other Operating Costs                             | -                         | 13,657,605               | -                       | -  | 13,657,605                            |
| Total Operating Expenses                          | <u>12,748</u>             | <u>13,681,785</u>        | <u>-</u>                | <u>622,994</u>                           | <u>14,317,527</u>                     |
| Operating Income                                  | (12,748)                  | (2,826,101)              | 17,115                  | (445,340)                                | (3,267,074)                           |
| <b>NONOPERATING REVENUES (EXPENSES):</b>          |                           |                          |                         |  |                                       |
| Earnings from Temporary Deposits<br>& Investments | -                         | 293                      | -                       | 484                                      | 777                                   |
| Transfers In                                      | -                         | 1,000,000                | -                       | -  | 1,000,000                             |
| Total Nonoperating Revenues                       | <u>-</u>                  | <u>1,000,293</u>         | <u>-</u>                | <u>484</u>                               | <u>1,000,777</u>                      |
| Change in Net Position                            | (12,748)                  | (1,825,808)              | 17,115                  | (444,856)                                | (2,266,297)                           |
| Total Net Position - September 1 (Beginning)      | <u>83,458</u>             | <u>2,157,554</u>         | <u>375,208</u>          | <u>1,904,971</u>                         | <u>4,521,191</u>                      |
| Total Net Position - August 31 (Ending)           | <u>\$ 70,710</u>          | <u>\$ 331,746</u>        | <u>\$ 392,323</u>       | <u>\$ 1,460,115</u>                      | <u>\$ 2,254,894</u>                   |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

|   | 752<br>Print Shop<br>Fund | 753<br>Insurance<br>Fund     |
|---|---------------------------|------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                           |                              |
| Charges for Services  | \$ 7,874                  | \$ 9,675,051                 |
| Cash Payments for Professional and Contracted Services  | (7,874)                   | (24,180)                     |
| Cash Payments for Other Operating Costs   | <u>-</u>                  | <u>(12,860,386)</u>          |
| Net Cash (Used) Provided by Operating Activities  | <u>-</u>                  | <u>(3,209,515)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                           |                              |
| Interest on Investments   | <u>-</u>                  | <u>293</u>                   |
| Net Cash Provided by Investing Activities   | <u>-</u>                  | <u>293</u>                   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                           |                              |
| Transfers In  | <u>-</u>                  | <u>1,000,000</u>             |
| Net Cash Provided by Financing Activities   | <u>-</u>                  | <u>1,000,000</u>             |
| Net (Decrease) Increase in Cash and Cash Equivalents  | -                         | (2,209,222)                  |
| Cash and Cash Equivalents - Beginning of the Year   | <u>-</u>                  | <u>2,365,724</u>             |
| Cash and Cash Equivalents - End of the Year   | <u><u>\$ -</u></u>        | <u><u>\$ 156,502</u></u>     |
| <b>Reconciliation of Operating (Loss) Income to Net Cash (Used) Provided by Operating Activities:</b> |                           |                              |
| Operating Income  | \$ (12,748)               | \$ (2,826,101)               |
| Adjustments to Reconcile Operating(Loss) Income to Net Cash (Used) Provided by Operating Activities:  |                           |                              |
| Change in Assets and Liabilities:   |                           |                              |
| Due from Other Governments  | -                         | (356,488)                    |
| Due from/to Other Funds   | 12,723                    | (809,264)                    |
| Accounts Payable  | <u>25</u>                 | <u>782,338</u>               |
| Net Cash (Used) Provided by Operating Activities  | <u><u>\$ -</u></u>        | <u><u>\$ (3,209,515)</u></u> |
| <b>Reconciliation of Cash and Cash Equivalents</b>  |                           |                              |
| Cash and cash equivalents   | \$ -                      | \$ 3,947                     |
| Investments - current   | <u>-</u>                  | <u>152,555</u>               |
|   | <u><u>\$ -</u></u>        | <u><u>\$ 156,502</u></u>     |

| 754<br>Beverage<br>Fund | 771<br>Workmen's<br>Compensation<br>Fund | Total<br>Internal<br>Service<br>Funds |
|-------------------------|--|---------------------------------------|
| \$ 6,360                | \$ 176,158                               | \$ 9,865,443                          |
| -                       | (577,953)                                | (610,007)                             |
| -                       | -  | (12,860,386)                          |
| <u>6,360</u>            | <u>(401,795)</u>                         | <u>(3,604,950)</u>                    |
| -                       | 484                                      | 777                                   |
| -                       | 484                                      | 777                                   |
| -                       | -  | 1,000,000                             |
| -                       | -  | 1,000,000                             |
| 6,360                   | (401,311)                                | (2,604,173)                           |
| -                       | 1,606,740                                | 3,972,464                             |
| <u>\$ 6,360</u>         | <u>\$ 1,205,429</u>                      | <u>\$ 1,368,291</u>                   |
| \$ 17,115               | \$ (445,340)                             | \$ (3,267,074)                        |
| -                       | -  | (356,488)                             |
| (10,755)                | (2,178)                                  | (809,474)                             |
| -                       | 45,723                                   | 828,086                               |
| <u>\$ 6,360</u>         | <u>\$ (401,795)</u>                      | <u>\$ (3,604,950)</u>                 |
| \$ 6,360                | \$ 257                                   | \$ 10,564                             |
| -                       | 1,205,172                                | 1,357,727                             |
| <u>\$ 6,360</u>         | <u>\$ 1,205,429</u>                      | <u>\$ 1,368,291</u>                   |

**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT H-6

|  | BALANCE<br>SEPTEMBER 1,<br>2013 | ADDITIONS           | DEDUCTIONS        | BALANCE<br>AUGUST 31,<br>2014 |
|--|---------------------------------|---------------------|-------------------|-------------------------------|
| <b>TEXTBOOK TRUST FUND (862)</b>       |                                 |                     |                   |                               |
| Assets:                                |                                 |                     |                   |                               |
| Cash and Temporary Investments         | \$ 37,865                       | \$ 353              | \$ -              | \$ 38,218                     |
| Total Assets                           | <u>\$ 37,865</u>                | <u>\$ 353</u>       | <u>\$ -</u>       | <u>\$ 38,218</u>              |
| Liabilities:                           |                                 |                     |                   |                               |
| Due to Other Funds                     | \$ 19,901                       | \$ -                | \$ -              | \$ 19,901                     |
| Due to Other Governments               | 17,964                          | 353                 | -                 | 18,317                        |
| Total Liabilities                      | <u>\$ 37,865</u>                | <u>\$ 353</u>       | <u>\$ -</u>       | <u>\$ 38,218</u>              |
| <b>STUDENT ACTIVITY ACCOUNT (865)</b>  |                                 |                     |                   |                               |
| Assets:                                |                                 |                     |                   |                               |
| Cash and Temporary Investments         | \$ 189,997                      | \$ 621,850          | \$ 571,239        | \$ 240,608                    |
| Due From Other Funds                   | 200                             | 105,179             | 2,030             | 103,349                       |
| Total Assets                           | <u>\$ 190,197</u>               | <u>\$ 727,029</u>   | <u>\$ 573,269</u> | <u>\$ 343,957</u>             |
| Liabilities:                           |                                 |                     |                   |                               |
| Accounts Payable                       | \$ 1,517                        | \$ 374,257          | \$ 366,937        | \$ 8,837                      |
| Payroll Deductions & Withholdings      | 8,669                           | 4,625               | 4,080             | 9,214                         |
| Due to Other Funds                     | 11,956                          | 11,520              | 5,408             | 18,068                        |
| Due to Student Groups                  | 168,055                         | 664,412             | 524,629           | 307,838                       |
| Total Liabilities                      | <u>\$ 190,197</u>               | <u>\$ 1,054,814</u> | <u>\$ 901,054</u> | <u>\$ 343,957</u>             |
| <b>COUNTY EDUCATION DISTRICT (866)</b> |                                 |                     |                   |                               |
| Assets:                                |                                 |                     |                   |                               |
| Cash and Temporary Investments         | \$ 2                            | \$ -                | \$ 2              | \$ -                          |
| Due From Other Government              | 24,972                          | 3,275               | 28,247            | -                             |
| Due From Other Funds                   | 151,859                         | 93                  | 1,223             | 150,729                       |
| Total Assets                           | <u>\$ 176,833</u>               | <u>\$ 3,368</u>     | <u>\$ 29,472</u>  | <u>\$ 150,729</u>             |
| Liabilities:                           |                                 |                     |                   |                               |
| Due to Other Funds                     | \$ -                            | \$ 2,073            | \$ 2,073          | \$ -                          |
| Due to Other Governments               | 149,878                         | 740                 | -                 | 150,618                       |
| Deferred Revenue                       | 24,973                          | 2,775               | 27,748            | -                             |
| Payable Restricted                     | 1,982                           | 111                 | 1,982             | 111                           |
| Total Liabilities                      | <u>\$ 176,833</u>               | <u>\$ 5,699</u>     | <u>\$ 31,803</u>  | <u>\$ 150,729</u>             |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT H-6

|  | BALANCE<br>SEPTEMBER 1,<br>2013 | ADDITIONS         | DEDUCTIONS        | BALANCE<br>AUGUST 31,<br>2014 |
|--|---------------------------------|-------------------|-------------------|-------------------------------|
| <b>FOOD BACKPACK PROGRAM (876)</b>       |                                 |                   |                   |                               |
| Assets:                                  |                                 |                   |                   |                               |
| Cash and Temporary Investments           | 800                             | 4,202             | 4,728             | 274                           |
| Total Assets                             | <u>800</u>                      | <u>4,202</u>      | <u>4,728</u>      | <u>274</u>                    |
| Liabilities:                             |                                 |                   |                   |                               |
| Payroll Liability                        | 800                             | 8,376             | 8,902             | 274                           |
| Total Liabilities                        | <u>800</u>                      | <u>8,376</u>      | <u>8,902</u>      | <u>274</u>                    |
| <b>TAX OFFICE CLEARING ACCOUNT (891)</b> |                                 |                   |                   |                               |
| Assets:                                  |                                 |                   |                   |                               |
| Cash and Temporary Investments           | 1                               | -                 | 1                 | -                             |
| Due From Other Funds                     | -                               | 1                 | -                 | 1                             |
| Total Assets                             | <u>1</u>                        | <u>1</u>          | <u>1</u>          | <u>1</u>                      |
| Liabilities:                             |                                 |                   |                   |                               |
| Payroll Liability                        | 1                               | -                 | -                 | 1                             |
| Total Liabilities                        | <u>1</u>                        | <u>-</u>          | <u>-</u>          | <u>1</u>                      |
| <b>CAMPUS CHECKING ACCOUNT (897)</b>     |                                 |                   |                   |                               |
| Assets:                                  |                                 |                   |                   |                               |
| Cash and Temporary Investments           | 213,033                         | 472,227           | 485,293           | 199,967                       |
| Due From Other Funds                     | 2,849                           | 106               | 238               | 2,717                         |
| Other Receivables                        | 1,315                           | -                 | -                 | 1,315                         |
| Total Assets                             | <u>217,197</u>                  | <u>472,333</u>    | <u>485,531</u>    | <u>203,999</u>                |
| Liabilities:                             |                                 |                   |                   |                               |
| Accounts Payable                         | 11,955                          | 481,344           | 492,950           | 349                           |
| Due to Other Funds                       | 87,159                          | 114,035           | 3,998             | 197,196                       |
| Due to Student Groups                    | 118,083                         | 497,857           | 609,486           | 6,454                         |
| Total Liabilities                        | <u>217,197</u>                  | <u>1,093,236</u>  | <u>1,106,434</u>  | <u>203,999</u>                |
| <b>LIBRARY FUND (898)</b>                |                                 |                   |                   |                               |
| Assets:                                  |                                 |                   |                   |                               |
| Cash and Temporary Investments           | 13,767                          | 67,399            | 71,322            | 9,844                         |
| Due From Other Funds                     | 171                             | 5,977             | 1,610             | 4,538                         |
| Total Assets                             | <u>13,938</u>                   | <u>73,376</u>     | <u>72,932</u>     | <u>14,382</u>                 |
| Liabilities:                             |                                 |                   |                   |                               |
| Accounts Payable                         | \$ -                            | \$ 72,853         | \$ 72,853         | \$ -                          |
| Due to Other Funds                       | 2,855                           | 4,054             | 4,186             | 2,723                         |
| Due to Student Groups                    | 11,083                          | 72,248            | 71,672            | 11,659                        |
| Total Liabilities                        | <u>\$ 13,938</u>                | <u>\$ 149,155</u> | <u>\$ 148,711</u> | <u>\$ 14,382</u>              |

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT H-6

|                                       | BALANCE<br>SEPTEMBER 1,<br>2013 | ADDITIONS    | DEDUCTIONS   | BALANCE<br>AUGUST 31,<br>2014 |
|---------------------------------------|---------------------------------|--------------|--------------|-------------------------------|
| <b>CAMPUS/AGENCY - NON H.S. (899)</b> |                                 |              |              |                               |
| Assets:                               |                                 |              |              |                               |
| Cash and Temporary Investments        | \$ 36,995                       | \$ 55,426    | \$ 55,861    | \$ 36,560                     |
| Due From Other Funds                  | 570                             | 7,987        | 8,257        | 300                           |
| Total Assets                          | \$ 37,565                       | \$ 63,413    | \$ 64,118    | \$ 36,860                     |
| Liabilities:                          |                                 |              |              |                               |
| Accounts Payable                      | \$ 2,589                        | \$ 37,278    | \$ 39,767    | \$ 100                        |
| Due to Other Funds                    | 17,238                          | 2,335        | 8,258        | 11,315                        |
| Due to Student Groups                 | 17,738                          | 48,694       | 40,987       | 25,445                        |
| Total Liabilities                     | \$ 37,565                       | \$ 88,307    | \$ 89,012    | \$ 36,860                     |
| <b>TOTAL AGENCY FUNDS</b>             |                                 |              |              |                               |
| Assets:                               |                                 |              |              |                               |
| Cash and Temporary Investments        | \$ 492,460                      | \$ 1,221,457 | \$ 1,188,446 | \$ 525,471                    |
| Due From Other Government             | 26,287                          | 3,275        | 28,247       | 1,315                         |
| Due From Other Funds                  | 155,649                         | 119,343      | 13,358       | 261,634                       |
| Total Assets                          | \$ 674,396                      | \$ 1,344,075 | \$ 1,230,051 | \$ 788,420                    |
| Liabilities:                          |                                 |              |              |                               |
| Accounts Payable                      | \$ 16,061                       | \$ 965,732   | \$ 972,507   | \$ 9,286                      |
| Payroll Liability                     | 9,470                           | 13,001       | 12,982       | 9,489                         |
| Due to Other Funds                    | 139,109                         | 134,017      | 23,923       | 249,203                       |
| Due to Other Governments              | 167,842                         | 1,093        | -            | 168,935                       |
| Due to Student Groups                 | 314,959                         | 1,283,211    | 1,246,774    | 351,396                       |
| Deferred Revenue                      | 24,973                          | 2,775        | 27,748       | -                             |
| Payable Restricted                    | 1,982                           | 111          | 1,982        | 111                           |
| Total Liabilities                     | \$ 674,396                      | \$ 2,399,940 | \$ 2,285,916 | \$ 788,420                    |



**THIS PAGE LEFT BLANK INTENTIONALLY**

DONNA INDEPENDENT SCHOOL DISTRICT  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PRIVATE PURPOSE TRUST FUNDS  
 AUGUST 31, 2014

EXHIBIT H-7

|                           | 806<br>Scholarship<br>Fund | 807<br>Admin<br>Scholarship<br>Fund | 808<br>Board of<br>Trustees<br>Scholarship<br>Fund | Total<br>Private<br>Purpose<br>Trust Funds |
|---------------------------|----------------------------|-------------------------------------|--|--|
| <b>ASSETS</b>             |                            |                                     |  |  |
| Cash and Cash Equivalents | \$ 26,100                  | \$ -                                | \$ -   | \$ 26,100                                  |
| Due from Other Funds      | -                          | 2,503                               | 8,762  | 11,265                                     |
| Total Assets              | <u>\$ 26,100</u>           | <u>\$ 2,503</u>                     | <u>\$ 8,762</u>                                    | <u>\$ 37,365</u>                           |
| <b>LIABILITIES</b>        |                            |                                     |  |  |
| Accounts Payable          | \$ 400                     | \$ -                                | \$ 1,500   | \$ 1,900                                   |
| Due to Other Funds        | 12,127                     | -                                   | -  | 12,127                                     |
| Due to Student Groups     | 13,573                     | 2,503                               | 7,262  | 23,338                                     |
| Total Liabilities         | <u>\$ 26,100</u>           | <u>\$ 2,503</u>                     | <u>\$ 8,762</u>                                    | <u>\$ 37,365</u>                           |

DONNA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED AUGUST 31, 2014

| Last Ten<br>Years Ended<br>August 31 | 1           | 2            | 3   |
|--------------------------------------|-------------|--------------|---|
|                                      | Tax Rates   |              | Assessed/<br>Appraised<br>Value<br>for School<br>Tax Purposes |
|                                      | Maintenance | Debt Service |   |
| 2005 (and prior years)               | Various     | Various      | Various   |
| 2006                                 | 1.500000    | 0.160000     | \$ 644,062,401  |
| 2007                                 | 1.370000    | 0.160000     | 821,644,196   |
| 2008                                 | 1.040000    | 0.160000     | 834,531,042   |
| 2009                                 | 1.040000    | 0.160000     | 894,315,675   |
| 2010                                 | 1.170000    | 0.007900     | 899,615,267   |
| 2011                                 | 1.170000    | 0.088200     | 967,480,534   |
| 2012                                 | 1.170000    | 0.088200     | 1,010,956,895   |
| 2013                                 | 1.170000    | 0.088200     | 1,021,676,581   |
| 2014 (school year under audit)       | 1.170000    | 0.088200     | 1,038,735,273   |
| 1000 TOTALS                          |             |              |   |

| 10   | 20                              | 31                                  | 32                                   | 40                              | 50                                      |
|--|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|---|
| Beginning<br>Balance<br>September 1,<br>2013 | Current<br>Year's<br>Total Levy | Maintenance<br>Total<br>Collections | Debt Service<br>Total<br>Collections | Entire<br>Year's<br>Adjustments | Ending<br>Balance<br>August 31,<br>2014 |
| \$ 1,324,305                                 | \$                              | \$ 116,565                          | \$ 10,472                            | \$ (24,440)                     | \$ 1,172,828                            |
| 259,398                                      |                                 | 38,135                              | 4,068                                | (6,614)                         | 210,581                                 |
| 263,915                                      |                                 | 48,362                              | 5,648                                | 1,349                           | 211,254                                 |
| 253,608                                      |                                 | 52,073                              | 8,011                                | 1,822                           | 195,346                                 |
| 356,871                                      |                                 | 106,073                             | 16,319                               | 35,332                          | 269,811                                 |
| 429,893                                      |                                 | 160,244                             | 1,082                                | 48,277                          | 316,844                                 |
| 556,481                                      |                                 | 198,852                             | 14,990                               | 62,170                          | 404,809                                 |
| 727,599                                      |                                 | 271,950                             | 20,501                               | 71,280                          | 506,428                                 |
| 1,095,195                                    |                                 | 487,052                             | 36,716                               | 94,954                          | 666,381                                 |
|  | <u>12,715,480</u>               | <u>11,066,589</u>                   | <u>835,974</u>                       | <u>(89,339)</u>                 | <u>723,578</u>                          |
| <u>\$ 5,267,265</u>                          | <u>\$ 12,715,480</u>            | <u>\$ 12,545,895</u>                | <u>\$ 953,781</u>                    | <u>\$ 194,791</u>               | <u>\$ 4,677,860</u>                     |

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM  
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT J-4

| Data<br>Control<br>Codes | Budgeted Amounts                       |              | Actual Amounts<br>(GAAP Basis) | Variance with<br>Final Budget |               |
|--------------------------|--|--------------|--------------------------------|-------------------------------|---------------|
|                          | Original                               | Final        |                                | Positive<br>(Negative)        |               |
| REVENUES:                |  |              |                                |                               |               |
| 5700                     | Local and Intermediate Sources         | \$ 338,000   | \$ 349,375                     | \$ 297,674                    | \$ (51,701 )  |
| 5800                     | State Program Revenues                 | 102,000      | 102,000                        | 74,023                        | (27,977 )     |
| 5900                     | Federal Program Revenues               | 10,771,554   | 10,771,554                     | 9,055,924                     | (1,715,630 )  |
| 5020                     | Total Revenues                         | 11,211,554   | 11,222,929                     | 9,427,621                     | (1,795,308 )  |
| EXPENDITURES:            |  |              |                                |                               |               |
| 0035                     | Food Services                          | 10,786,554   | 11,244,829                     | 10,419,890                    | 824,939       |
| 0051                     | Facilities Maintenance and Operations  | 425,000      | 425,000                        | 414                           | 424,586       |
| 6030                     | Total Expenditures                     | 11,211,554   | 11,669,829                     | 10,420,304                    | 1,249,525     |
| 1200                     | Net Change in Fund Balances            | -            | (446,900)                      | (992,683)                     | (545,783 )    |
| 0100                     | Fund Balance - September 1 (Beginning) | 2,941,523    | 2,941,523                      | 2,941,523                     | -             |
| 3000                     | Fund Balance - August 31 (Ending)      | \$ 2,941,523 | \$ 2,494,623                   | \$ 1,948,840                  | \$ (545,783 ) |

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - DEBT SERVICE FUND  
FOR THE YEAR ENDED AUGUST 31, 2014

EXHIBIT J-5

| Data Control Codes              | Budgeted Amounts  |            | Actual Amounts<br>(GAAP Basis) | Variance with Final Budget -<br>Positive<br>(Negative) |              |
|---------------------------------|---|------------|--------------------------------|--|--------------|
|                                 | Original  | Final      |                                |  |              |
| REVENUES:                       |   |            |                                |  |              |
| 5700                            | Local and Intermediate Sources                            | \$ 934,000 | \$ 953,000                     | \$ 1,006,644   | \$ 53,644    |
| 5800                            | State Program Revenues                                    | 7,200,000  | 171,356                        | 647,811  | 476,455      |
| 5020                            | Total Revenues  | 8,134,000  | 1,124,356                      | 1,654,455  | 530,099      |
| EXPENDITURES:                   |   |            |                                |  |              |
| Debt Service:                   |   |            |                                |  |              |
| 0071                            | Principal on Long-Term Debt                               | 5,080,000  | 5,080,000                      | 5,080,000  | -            |
| 0072                            | Interest on Long-Term Debt                                | 4,010,830  | 4,028,830                      | 3,881,022  | 147,808      |
| 0073                            | Bond Issuance Costs and Fees                              | -          | -                              | 8,463  | (8,463)      |
| 6030                            | Total Expenditures  | 9,090,830  | 9,108,830                      | 8,969,485  | 139,345      |
| 1100                            | Excess (Deficiency) of Revenues Over (Under) Expenditures | (956,830)  | (7,984,474)                    | (7,315,030)  | 669,444      |
| OTHER FINANCING SOURCES (USES): |   |            |                                |  |              |
| 7915                            | Transfers In  | 956,830    | 7,271,237                      | 7,200,000  | (71,237)     |
| 7080                            | Total Other Financing Sources (Uses)                      | 956,830    | 7,271,237                      | 7,200,000  | (71,237)     |
| 1200                            | Net Change in Fund Balances                               | -          | (713,237)                      | (115,030)  | 598,207      |
| 0100                            | Fund Balance - September 1 (Beginning)                    | 713,237    | 713,237                        | 713,237  | -            |
| 1300                            | Prior Period Adjustments                                  |            |                                | 420,436  | 420,436      |
| 3000                            | Fund Balance - August 31 (Ending)                         | \$ 713,237 | \$ -                           | \$ 1,018,643   | \$ 1,018,643 |

**THIS PAGE LEFT BLANK INTENTIONALLY**

## STATISTICAL SECTION OVERVIEW

(Unaudited)

*The Statistical Section of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.*

**PAGE**

### **CONTENTS**

**60-63**

#### **Financial Trends Information**

*These schedules contain information to help the reader understand how the District's financial performance has changed over time.*

**64-67**

#### **Revenue and Expenditure Capacity**

*This section contains schedules that provide information about the District's most significant major own-source revenue, which is property taxes, and the factors that impact the District's ability to generate such revenue.*

**68-77**

#### **Debt Capacity Information**

*These schedules contain information to help the reader assess the affordability of the District's current levels of outstanding debt, the District's ability to repay the debt, and the District's ability to issue additional debt in the future.*

**78-80**

#### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.*

**81-86**

#### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial reports relates to the services the District provides and activities it performs.*

### ***SOURCES***

*Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year.*



**THIS PAGE LEFT BLANK INTENTIONALLY**



## **FINANCIAL TRENDS INFORMATION**

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

SCHEDULE 1  
DONNA INDEPENDENT SCHOOL DISTRICT  
NET POSITION BY COMPONENT

LAST TEN YEARS

(Unaudited)

**Governmental Activities**

---

| Fiscal<br>Year | Net Investment in<br>Capital Assets | Restricted | Unrestricted | Total<br>Net Position |
|----------------|-------------------------------------|------------|--------------|-----------------------|
| 2005           | 35,054,959                          | 18,645,540 | 12,835,635   | 66,536,134            |
| 2006           | 40,413,329                          | 13,819,958 | 11,376,852   | 65,610,139            |
| 2007           | 51,941,226                          | 4,549,020  | 15,526,921   | 72,017,167            |
| 2008           | 55,142,321                          | 2,697,172  | 18,992,220   | 76,831,713            |
| 2009           | 61,919,917                          | 3,222,783  | 19,216,127   | 84,358,827            |
| 2010           | 68,706,785                          | 2,236,837  | 38,242,954   | 109,186,576           |
| 2011           | 30,391,064                          | 58,937,880 | 45,796,966   | 135,125,910           |
| 2012           | 74,864,776                          | 38,562,529 | 40,866,491   | 154,293,796           |
| 2013           | 106,407,127                         | 989,488    | 56,514,620   | 163,911,235           |
| 2014           | 118,040,932                         | 3,251,004  | 48,285,898   | 169,577,834           |

Source: The District's Statement of Net Position (Exhibit A-1)

SCHEDULE 2  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL ACTIVITIES EXPENSES & PROGRAM REVENUES

LAST TEN YEARS

(Unaudited)

|   | Fiscal Year     |                 |                  |                  |
|---|-----------------|-----------------|------------------|------------------|
|   | 2005            | 2006            | 2007             | 2008             |
| <b>Expenses</b>                                   |                 |                 |                  |                  |
| Governmental Activities:                          |                 |                 |                  |                  |
| Instruction                                       | \$ 59,397,071   | \$ 67,840,012   | \$ 70,953,997    | \$ 73,564,961    |
| Instructional Resources & Media Services          | 1,884,747       | 1,877,675       | 2,142,634        | 2,316,145        |
| Curriculum & Staff Development                    | 2,276,066       | 2,384,284       | 3,262,599        | 2,164,097        |
| Instructional Leadership                          | 2,339,134       | 2,226,991       | 2,581,021        | 2,927,012        |
| School Leadership                                 | 4,836,174       | 5,030,764       | 5,598,917        | 5,114,758        |
| Guidance, Counseling & Evaluation Services        | 4,194,268       | 4,423,181       | 4,442,296        | 4,596,597        |
| Social Work Services                              | 526,884         | 577,816         | 680,431          | 794,676          |
| Health Services                                   | 1,381,992       | 1,445,087       | 1,658,313        | 1,589,003        |
| Student (Pupil) Transportation                    | 2,623,936       | 2,802,184       | 3,146,436        | 3,552,747        |
| Food Services                                     | 7,323,478       | 7,521,653       | 9,375,551        | 9,604,584        |
| Cocurricular/Extracurricular Activities           | 2,340,520       | 2,449,290       | 2,926,848        | 2,863,382        |
| General Administration                            | 3,977,485       | 3,861,925       | 4,543,575        | 4,529,401        |
| Facilities Maintenance & Operations               | 12,561,427      | 13,433,198      | 14,551,296       | 14,596,026       |
| Security & Monitoring Services                    | 1,968,208       | 2,171,619       | 2,319,245        | 2,145,077        |
| Data Processing Services                          | 1,248,527       | 1,284,323       | 1,300,037        | 1,276,971        |
| Community Service & ESC (62)                      | 1,288,392       | 1,099,013       | 1,055,647        | 1,004,604        |
| Debt Service - Interest on Long Term Debt         | 3,644,801       | 3,707,300       | 3,635,045        | 4,560,763        |
| Debt Service - Bond Issuance Cost and Fees        | -               | -               | -                | -                |
| Facilities Acquisition and Construction           | -               | -               | -                | -                |
| Payments to Juvenile Justice Alternative Ed. Prg. | 76,936          | 57,702          | 28,910           | 113,760          |
| Total Governmental Activities                     | 113,890,046     | 124,194,017     | 134,202,798      | 137,314,564      |
| <b>Program Revenues</b>                           |                 |                 |                  |                  |
| Charges for Services                              |                 |                 |                  |                  |
| Instruction                                       | 1,047,989       | 434,104         | 219,321          | 469,302          |
| Instructional Resources and Media Services        | 56,142          | 8,859           | 4,476            | 9,578            |
| Curriculum and Instructional Staff Development    | 18,714          | 8,859           | 4,476            | 9,578            |
| Instructional Leadership                          | 18,714          | 8,859           | 4,476            | 9,578            |
| School Leadership                                 | 130,999         | 44,296          | 22,380           | 47,888           |
| Guidance, Counseling and Evaluation Services      | 56,142          | 26,578          | 13,428           | 28,733           |
| Social Work Services                              | -               | -               | -                | -                |
| Health Services                                   | 18,714          | 8,859           | 4,476            | 9,578            |
| Student (Pupil) Transportation                    | 56,142          | 26,578          | 13,428           | 28,733           |
| Food Services                                     | 312,083         | 385,898         | 404,044          | 366,215          |
| Extracurricular Activities                        | 134,352         | 107,747         | 129,043          | 192,885          |
| General Administration                            | 112,285         | 150,607         | 76,091           | 162,819          |
| Facilities Maintenance and Operations             | 224,569         | 142,616         | 89,616           | 158,547          |
| Security and Monitoring Services                  | 56,142          | 17,719          | 8,952            | 19,155           |
| Data Processing Services                          | 37,428          | 8,859           | 4,476            | 9,578            |
| Community Services & ESC (62)                     | 18,714          | 892             | 1,270            | 1,804            |
| Debt Service - Interest on Long Term Debt         | -               | -               | -                | -                |
| Operating Grants and Contributions                | 25,593,825      | 29,018,176      | 29,914,284       | 30,402,572       |
| Total Governmental Activities                     | 27,892,954      | 30,399,506      | 30,914,237       | 31,926,543       |
| <b>Net Governmental Activities</b>                |                 |                 |                  |                  |
| Revenue/(Expense)                                 | \$ (85,997,092) | \$ (93,794,511) | \$ (103,288,561) | \$ (105,388,021) |

Source: The District's Statement of Activities (Exhibit B-1)

|    | 2009          | 2010             | 2011            | 2012             | 2013             | 2014             |
|----|---------------|------------------|-----------------|------------------|------------------|------------------|
| \$ | 77,920,193    | \$ 86,639,759    | \$ 86,326,231   | \$ 77,300,681    | \$ 81,972,747    | \$ 87,303,486    |
|    | 2,155,817     | 2,411,943        | 2,220,169       | 2,029,449        | 2,341,117        | 2,449,631        |
|    | 2,986,891     | 2,660,923        | 2,874,356       | 2,413,753        | 2,411,339        | 2,646,150        |
|    | 3,590,789     | 2,791,505        | 2,956,089       | 2,954,997        | 2,720,745        | 2,431,218        |
|    | 5,892,075     | 5,911,981        | 5,825,824       | 5,831,746        | 6,915,932        | 6,720,242        |
|    | 4,999,818     | 5,461,383        | 5,494,943       | 5,195,801        | 5,562,415        | 6,133,190        |
|    | 976,856       | 779,665          | 681,714         | 824,204          | 922,422          | 1,113,654        |
|    | 1,636,355     | 1,632,190        | 2,025,251       | 1,877,525        | 2,059,341        | 2,046,147        |
|    | 3,928,291     | 3,498,225        | 3,713,419       | 3,831,318        | 4,408,911        | 4,379,595        |
|    | 9,140,238     | 9,137,831        | 9,064,614       | 9,567,517        | 10,804,179       | 10,600,019       |
|    | 3,225,149     | 3,109,095        | 3,063,751       | 2,989,869        | 5,307,959        | 5,709,568        |
|    | 4,487,311     | 3,651,431        | 3,613,924       | 5,723,605        | 7,562,423        | 4,532,916        |
|    | 15,528,270    | 14,238,763       | 13,343,828      | 13,312,712       | 13,612,836       | 14,696,218       |
|    | 2,404,411     | 1,962,748        | 1,820,604       | 1,738,595        | 2,046,844        | 2,411,637        |
|    | 1,285,458     | 1,274,017        | 1,236,943       | 1,439,788        | 1,605,700        | 1,470,093        |
|    | 1,061,136     | 1,133,760        | 1,057,036       | 1,063,861        | 1,153,400        | 1,169,832        |
|    | 3,566,711     | 3,304,577        | 6,225,016       | 5,401,040        | 4,540,986        | 3,854,612        |
|    | -             | -                | -               | -                | -                | 8,463            |
|    | -             | -                | -               | -                | -                | 1,606            |
|    | -             | 8,927            | 113,760         | 4,661            | 46,215           | 7,224            |
|    | 144,785,769   | 149,608,723      | 151,657,472     | 143,501,122      | 155,995,511      | 159,685,501      |
|    | 281,798       | 7,375            | 5,375           | 140,631          | 101,082          | 66,834           |
|    | 10,437        | -                | -               | -                | -                | -                |
|    | 10,437        | -                | -               | -                | -                | -                |
|    | 15,655        | -                | -               | -                | -                | -                |
|    | 20,874        | -                | -               | -                | -                | -                |
|    | 20,874        | -                | -               | -                | -                | -                |
|    | 5,218         | -                | -               | -                | -                | -                |
|    | 5,218         | 47,590           | -               | -                | -                | -                |
|    | 15,655        | -                | 91,265          | -                | -                | -                |
|    | 319,204       | 330,939          | 341,893         | 320,851          | 277,714          | 282,128          |
|    | 84,575        | 96,467           | 78,787          | 130,930          | 162,165          | 118,853          |
|    | 15,655        | 216,284          | 219,238         | 46,077           | 29,646           | -                |
|    | 85,199        | 152,172          | -               | -                | -                | -                |
|    | 10,437        | -                | -               | -                | -                | -                |
|    | 5,218         | -                | -               | -                | -                | -                |
|    | -             | 30,284           | -               | -                | -                | -                |
|    | -             | -                | -               | -                | -                | -                |
|    | 33,698,369    | 45,690,295       | 56,434,151      | 41,122,929       | 37,169,647       | 36,092,850       |
|    | 34,604,823    | 46,571,406       | 57,170,709      | 41,761,418       | 37,740,254       | 36,560,665       |
| \$ | (110,180,946) | \$ (103,037,317) | \$ (94,486,763) | \$ (101,739,704) | \$ (118,255,257) | \$ (123,124,836) |

SCHEDULE 3  
DONNA INDEPENDENT SCHOOL DISTRICT  
GENERAL REVENUES AND CHANGES IN NET POSITION

LAST TEN YEARS

(Unaudited)

|   | Fiscal Year     |                 |                  |                  |
|---|-----------------|-----------------|------------------|------------------|
|   | 2005            | 2006            | 2007             | 2008             |
| <b>Net Governmental Activities</b>            |                 |                 |                  |                  |
| <b>Revenue /(Expense)</b>                     | \$ (85,997,092) | \$ (93,794,511) | \$ (103,288,561) | \$ (105,388,021) |
| General Revenues and Changes in Net Position: |                 |                 |                  |                  |
| Property Taxes - M&O                          | 8,877,436       | 8,550,762       | 8,546,890        | 8,479,104        |
| Property Taxes - Debt Service                 | 1,039,681       | 992,966         | 1,277,312        | 1,122,097        |
| State Aid                                     | 69,484,278      | -               | 80,469,526       | 86,318,184       |
| Grants & Contributions not Restricted         | 7,724,913       | 82,827,763      | 13,001,023       | 13,111,225       |
| Investment Earnings                           | 661,913         | 1,275,416       | 1,278,324        | 521,662          |
| Special Item -Misc. Revenue                   | -               | -               | -                | -                |
| Special - Premium new bond                    | 1,441,035       | -               | 2,072,963        | 211,485          |
| Special Item - (use)                          | -               | -               | -                | -                |
| Miscellaneous Local and Intermediate Revenue  | 624,826         | 605,366         | 625,642          | 888,457          |
| Total General Revenues                        | 89,854,082      | 94,252,273      | 107,271,680      | 110,652,214      |
| Change in Net Position                        | \$ 3,856,990    | \$ 457,762      | \$ 3,983,119     | \$ 5,264,193     |

Source: The District's Statement of Activities (Exhibit B-1)

| <b>Fiscal Year</b>  |                      |                      |                      |                     |                     |
|---------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| <b>2009</b>         | <b>2010</b>          | <b>2011</b>          | <b>2012</b>          | <b>2013</b>         | <b>2014</b>         |
| \$ (110,180,946)    | \$ (103,037,317)     | \$ (94,486,763)      | \$ (101,739,704)     | \$ (118,255,257)    | (123,124,836)       |
| 10,088,753          | 10,585,331           | 11,173,904           | 11,496,760           | 11,618,705          | 11,474,974          |
| 1,316,169           | 65,498               | 726,431              | 770,508              | 799,521             | 874,962             |
| 90,970,002          | 104,141,565          | 106,933,453          | 98,575,441           | 103,612,874         | 110,937,658         |
| 12,717,637          | 11,184,701           | 497,758              | 9,003,877            | 9,782,208           | 3,971,165           |
| 200,140             | 56,504               | 383,187              | 112,235              | 83,837              | 60,972              |
| -                   | -                    | -                    | -                    | -                   | -                   |
| 2,159,807           | 142,157              | 1,930                | -                    | -                   | -                   |
| (1,099,962)         | -                    | -                    | -                    | 2,498               | -                   |
| 532,521             | 960,187              | 709,434              | 948,769              | 1,045,009           | 1,471,704           |
| 116,885,067         | 127,135,943          | 120,426,097          | 120,907,590          | 126,944,652         | 128,791,435         |
| <b>\$ 6,704,121</b> | <b>\$ 24,098,626</b> | <b>\$ 25,939,334</b> | <b>\$ 19,167,886</b> | <b>\$ 8,689,395</b> | <b>\$ 5,666,599</b> |



SCHEDULE 4  
DONNA INDEPENDENT SCHOOL DISTRICT  
FUND BALANCES  
GOVERNMENTAL FUNDS

LAST TEN YEARS

(Unaudited)

|   | 2005                 | 2006                 | 2007                 | 2008                 | 2009                |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>General Fund</b>                                   |                      |                      |                      |                      |                     |
| <b>PRE GASB 54</b>                                    |                      |                      |                      |                      |                     |
| <i>Reserved Fund Balances:</i>                        |                      |                      |                      |                      |                     |
| Investments in Inventory                              | \$ 422,504           | \$ 745,231           | \$ 579,955           | \$ 508,396           | \$ 598,937          |
| <i>Unreserved Designated For:</i>                     |                      |                      |                      |                      |                     |
| Claims and Judgments                                  | -                    | 1,441,035            | 1,441,034            | 1,441,035            | -                   |
| <i>Unreserved and Undesignated:</i>                   |                      |                      |                      |                      |                     |
| Reported in the General Fund                          | 6,438,343            | 4,329,846            | 6,367,158            | 6,885,694            | 6,705,054           |
| <b>POST GASB 54</b>                                   |                      |                      |                      |                      |                     |
| <i>Nonspendable:</i>                                  |                      |                      |                      |                      |                     |
| Investments in Inventory                              | -                    | -                    | -                    | -                    | -                   |
| <i>Restricted:</i>                                    |                      |                      |                      |                      |                     |
| Restricted - Federal or State Funds Grant Restriction | -                    | -                    | -                    | -                    | -                   |
| <i>Assigned:</i>                                      |                      |                      |                      |                      |                     |
| Assigned for Construction                             | -                    | -                    | -                    | -                    | -                   |
| <i>Unassigned:</i>                                    |                      |                      |                      |                      |                     |
| Reported in the General Fund                          | -                    | -                    | -                    | -                    | -                   |
| <b>Total General Fund Balance</b>                     | <b>6,860,847</b>     | <b>6,516,112</b>     | <b>8,388,147</b>     | <b>8,835,125</b>     | <b>7,303,991</b>    |
| <b>All Other Governmental Funds</b>                   |                      |                      |                      |                      |                     |
| <b>PRE GASB 54</b>                                    |                      |                      |                      |                      |                     |
| <i>Reserved, Reported In:</i>                         |                      |                      |                      |                      |                     |
| <i>Special Revenues</i>                               |                      |                      |                      |                      |                     |
| Retirement of Long-Term Debt                          | 344,284              | 585,221              | 870,027              | 1,212,268            | -                   |
| Other Purposes  | -                    | -                    | -                    | 852,604              | 749,314             |
| <i>Debt Service</i>                                   |                      |                      |                      |                      |                     |
| Retirement of Long Term Debt                          | -                    | -                    | -                    | -                    | 1,707,399           |
| <i>Capital Projects</i>                               |                      |                      |                      |                      |                     |
| Other Purposes  | 17,784,086           | 12,489,506           | 3,099,038            | -                    | -                   |
| <i>Unreserved and Undesignated:</i>                   |                      |                      |                      |                      |                     |
| Reported in the General Fund                          | 61,051               | -                    | -                    | -                    | -                   |
| Reported in the Capital Projects funds                | -                    | -                    | -                    | -                    | -                   |
| Reported in Special Revenue funds                     | -                    | -                    | -                    | 123,904              | 167,133             |
| <b>POST GASB 54</b>                                   |                      |                      |                      |                      |                     |
| <i>Special Revenues</i>                               |                      |                      |                      |                      |                     |
| <i>Unassigned:</i>                                    |                      |                      |                      |                      |                     |
| Federal or State Funds Grant Restriction              | -                    | -                    | -                    | -                    | -                   |
| <i>Debt Service</i>                                   |                      |                      |                      |                      |                     |
| <i>Restricted:</i>                                    |                      |                      |                      |                      |                     |
| Retirement of Long-Term Debt                          | -                    | -                    | -                    | -                    | -                   |
| <i>Other Funds</i>                                    |                      |                      |                      |                      |                     |
| <i>Restricted:</i>                                    |                      |                      |                      |                      |                     |
| Restricted - Federal or State Funds Grant Restriction | -                    | -                    | -                    | -                    | -                   |
| <i>Capital Projects</i>                               |                      |                      |                      |                      |                     |
| <i>Restricted:</i>                                    |                      |                      |                      |                      |                     |
| Other Purposes  | -                    | -                    | -                    | -                    | -                   |
| <i>Assigned:</i>                                      |                      |                      |                      |                      |                     |
| Other Assigned Fund Balance                           | -                    | -                    | -                    | -                    | -                   |
| <b>Total All Other Governmental Fund Balance</b>      | <b>18,189,421</b>    | <b>13,074,727</b>    | <b>3,969,065</b>     | <b>2,188,776</b>     | <b>2,623,846</b>    |
| <b>Total Government Funds -- Fund Balance</b>         | <b>\$ 25,050,268</b> | <b>\$ 19,590,839</b> | <b>\$ 12,357,212</b> | <b>\$ 11,023,901</b> | <b>\$ 9,927,837</b> |
| <b>Governmental Funds</b>                             |                      |                      |                      |                      |                     |
| Beginning Fund Balance                                | \$ 23,597,392        | \$ 25,050,268        | \$ 19,590,839        | \$ 12,357,212        | \$ 11,023,901       |
| Net Change in Fund Balance                            | 1,452,876            | (5,459,429)          | (7,233,627)          | (1,333,311)          | (1,096,064)         |
| <b>Ending Balance</b>                                 | <b>\$ 25,050,268</b> | <b>\$ 19,590,839</b> | <b>\$ 12,357,212</b> | <b>\$ 11,023,901</b> | <b>\$ 9,927,837</b> |

Source: The District's Governmental Funds Balance Sheets (Exhibit C-1) and Combined Statements of Revenues, Expenditures and changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013) (Exhibit C-2 for fiscal year 2014) .

|    | 2010       | 2011          | 2012          | 2013          | 2014          |
|----|------------|---------------|---------------|---------------|---------------|
| \$ | 689,410    | \$ -          | \$ -          | \$ -          | \$ -          |
|    | -          | -             | -             | -             | -             |
|    | 24,664,646 | -             | -             | -             | -             |
|    | -          | 514,417       | 483,272       | 545,389       | 493,935       |
|    | -          | -             | -             | -             | 1,873,005     |
|    | -          | 10,000,000    | 19,500,000    | 2,500,000     | 2,500,000     |
|    | -          | 32,697,987    | 29,000,803    | 44,440,834    | 40,604,942    |
|    | 25,354,056 | 43,212,404    | 48,984,075    | 47,486,223    | 45,471,882    |
|    | 869,162    | -             | -             | -             | -             |
|    | 456,094    | -             | -             | -             | -             |
|    | -          | -             | -             | -             | -             |
|    | -          | -             | -             | -             | -             |
|    | -          | -             | -             | -             | -             |
|    | 222,171    | -             | -             | -             | -             |
|    | -          | 274,461       | 244,696       | 239,044       | (23,831)      |
|    | -          | 660,980       | 683,308       | 1,133,673     | 1,018,643     |
|    | -          | -             | -             | -             | 359,356       |
|    | -          | 456,094       | -             | -             | -             |
|    | -          | 47,031,928    | 17,651,253    | -             | -             |
|    | 1,547,427  | 48,423,463    | 18,579,257    | 1,372,717     | 1,354,168     |
| \$ | 26,901,483 | \$ 91,635,867 | \$ 67,563,332 | \$ 48,858,940 | \$ 46,826,050 |
| \$ | 9,927,837  | \$ 26,901,483 | \$ 91,635,867 | \$ 67,563,332 | \$ 48,858,940 |
|    | 16,973,646 | 64,734,384    | (24,072,535)  | (18,704,392)  | (2,032,890)   |
| \$ | 26,901,483 | \$ 91,635,867 | \$ 67,563,332 | \$ 48,858,940 | \$ 46,826,050 |

**THIS PAGE LEFT BLANK INTENTIONALLY**



## **REVENUE AND EXPENDITURE CAPACITY**

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

SCHEDULE 5  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND REVENUES BY SOURCE

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Local and Intermediate Sources |         |              | State Programs            |                        |               | Federal Programs | Total          |
|-------------|--------------------------------|---------|--------------|---------------------------|------------------------|---------------|------------------|----------------|
|             | Property Tax                   | Tuition | Other        | Per Capita and Foundation | On-behalf TRS Payments | Other         |                  |                |
| 2005        | \$ 9,792,758                   | \$ -    | \$ 3,961,207 | \$ 63,959,381             | \$ 3,985,834           | \$ 11,094,404 | \$ 23,688,575    | \$ 116,482,159 |
| 2006        | 10,568,876                     | -       | 3,390,560    | 69,371,792                | 4,347,532              | 12,252,269    | 25,832,542       | 125,763,571    |
| 2007        | 11,415,404                     | 5,500   | 2,603,234    | 77,541,820                | 4,759,098              | 14,159,608    | 26,883,011       | 137,367,675    |
| 2008        | 10,051,156                     | 9,000   | 3,002,172    | 81,638,011                | 5,110,289              | 16,372,248    | 26,671,950       | 142,854,826    |
| 2009        | 10,777,546                     | 6,900   | 1,901,665    | 85,060,725                | 5,623,821              | 16,929,149    | 29,731,099       | 150,030,905    |
| 2010        | 11,219,664                     | 7,375   | 2,094,438    | 97,051,412                | 5,787,869              | 15,405,161    | 42,672,836       | 174,238,755    |
| 2011        | 11,480,135                     | 5,375   | 1,989,906    | 95,176,438                | 5,816,758              | 18,694,832    | 44,177,334       | 177,340,778    |
| 2012        | 12,452,116                     | 2,400   | 1,741,876    | 98,575,441                | 5,628,921              | 10,528,579    | 33,932,604       | 162,861,937    |
| 2013        | 12,824,144                     | 12,145  | 1,705,761    | 103,612,874               | 5,850,791              | 10,777,220    | 30,305,391       | 165,088,326    |
| 2014        | 12,880,563                     | 13,075  | 1,947,540    | 110,937,658               | 6,560,608              | 3,803,029     | 29,739,477       | 165,881,950    |

Source: The District's Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013)(Exhibit C-2 for fiscal year 2014); and Notes to Financial Statements.

SCHEDULE 6  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Instruction and<br>Instructional -<br>Related<br>Services | Instructional<br>and<br>School<br>Leadership | Support<br>Services -<br>Student<br>(Pupil) | Administrative<br>Support<br>Services | Support<br>Services -<br>Nonstudent<br>Based | Ancillary<br>Services |
|----------------|---|--|---|---------------------------------------|--|-----------------------|
| 2005           | \$ 61,269,108   | \$ 6,860,574                                 | \$ 17,942,636                               | \$ 3,841,729                          | \$ 15,495,024                                | \$ 1,192,055          |
| 2006           | 70,434,887  | 7,029,716                                    | 19,047,405                                  | 3,777,538                             | 16,548,063                                   | 1,087,339             |
| 2007           | 74,921,727  | 8,002,367                                    | 24,017,572                                  | 4,220,685                             | 17,903,303                                   | 1,033,520             |
| 2008           | 78,084,211  | 8,082,193                                    | 23,463,385                                  | 4,606,416                             | 18,030,622                                   | 1,044,343             |
| 2009           | 82,211,458  | 9,362,041                                    | 23,739,684                                  | 4,501,329                             | 19,375,063                                   | 1,070,966             |
| 2010           | 90,285,205  | 8,605,179                                    | 24,000,770                                  | 4,782,368                             | 19,025,831                                   | 1,126,855             |
| 2011           | 90,021,057  | 8,696,197                                    | 23,976,810                                  | 3,988,533                             | 16,055,942                                   | 1,051,149             |
| 2012           | 79,886,795  | 8,791,688                                    | 24,718,765                                  | 4,288,074                             | 16,124,951                                   | 1,057,368             |
| 2013           | 84,282,314  | 9,571,780                                    | 29,371,087                                  | 4,326,972                             | 16,778,409                                   | 1,146,446             |
| 2014           | 90,593,266  | 8,786,027                                    | 31,164,768                                  | 4,344,061                             | 18,369,195                                   | 1,140,617             |

Source: The District's Annual Financial Report - Governmental Funds Statements of Revenues, Fund Expenditures, and Changes in Balances (Exhibit C-3 for fiscal years 2005-2013) (Exhibit C-2 for fiscal year 2014).

Note: Operating expenditures excludes capital outlay (Function 81)

| Debt Service Principal | Debt Service Interest | Capital Outlay | Inter-Governmental Charges | Total Governmental Fund Expenditures | Ratio of Debt Service to Operating Expenditures |
|------------------------|-----------------------|----------------|----------------------------|--------------------------------------|---|
| \$ 3,560,512           | \$ 3,627,111          | \$ 2,586,943   | \$ 76,936                  | \$ 116,452,628                       | 3.09%   |
| 3,409,692              | 3,684,804             | 6,375,056      | 57,702                     | 131,452,202                          | 0.94%   |
| 3,507,168              | 3,574,158             | 11,144,301     | 28,910                     | 148,353,711                          | 2.17%   |
| 4,331,488              | 3,540,155             | 4,334,231      | 113,760                    | 145,630,804                          | 4.63%   |
| 5,016,543              | 3,464,357             | 10,066,605     | -                          | 158,808,046                          | 4.00%   |
| 4,797,355              | 3,982,756             | 1,666,800      | 8,927                      | 158,282,046                          | 5.94%   |
| 6,523,490              | 4,900,822             | 9,689,184      | 113,760                    | 165,016,944                          | 7.95%   |
| 6,708,083              | 4,479,312             | 40,905,577     | 4,661                      | 186,965,274                          | 8.30%   |
| 6,978,782              | 3,824,867             | 29,652,967     | 46,215                     | 185,979,839                          | 7.43%   |
| 6,282,311              | 3,927,391             | 5,237,617      | 7,224                      | 169,852,477                          | 6.61%   |



SCHEDULE 7  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUNDS OTHER SOURCES, USES  
AND CHANGES IN FUND BALANCES

LAST TEN YEARS

(Unaudited)

|   | 2005         | 2006           | 2007            | 2008           |
|---|--------------|----------------|-----------------|----------------|
| Excess of Revenues Over<br>(Under) Expenditures | \$ 29,531    | \$ (5,688,631) | \$ (10,986,036) | \$ (2,775,978) |
| Other Financing Sources (Uses)                  |              |                |                 |                |
| Issuance of Bonds                               | -            | -              | -               | -              |
| Capital-Related Debt Issued                     | -            | -              | -               | 9,165,000      |
| Capital Leases                                  | -            | 251,500        | 1,690,568       | 1,405,466      |
| Prepaid Interest                                | -            | -              | -               | 65,862         |
| Sale of Real and Personal Property              | -            | -              | -               | -              |
| Non-Current Loans                               | -            | -              | -               | -              |
| Transfers In                                    | -            | -              | -               | -              |
| Insurance Recovery                              | 1,441,035    | -              | -               | -              |
| Premium or Discount on Issuance of Bonds        | -            | -              | -               | -              |
| Other Resources                                 | -            | -              | 2,072,963       | 145,623        |
| Transfers Out                                   | -            | -              | -               | -              |
| Non Operating Expenses                          | -            | -              | -               | -              |
| Other Uses                                      | -            | -              | -               | (9,165,000)    |
| Total Other Financing Sources (Uses)            | 1,441,035    | 251,500        | 3,763,531       | 1,616,951      |
| Special Items                                   | -            | -              | -               | -              |
| Net Change in Fund Balances                     | \$ 1,470,566 | \$ (5,437,131) | \$ (7,222,505)  | \$ (1,159,027) |

Source: The District's Governmental Funds Balance Sheets and Combined Statements of Revenues, Expenditures and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013) (Exhibit C-2 for fiscal year 2014).

| 2009           | 2010          | 2011          | 2012            | 2013            | 2014           |
|----------------|---------------|---------------|-----------------|-----------------|----------------|
| \$ (8,777,141) | \$ 15,956,709 | \$ 12,323,834 | \$ (24,103,337) | \$ (20,891,513) | \$ (3,970,527) |
| -              | -             | -             | -               | -               | -              |
| -              | -             | 59,945,000    | 8,630,000       | 7,150,000       | -              |
| 5,568,376      | 622,078       | -             | -               | 773,493         | 2,937,637      |
| -              | -             | -             | -               | -               | -              |
| -              | -             | -             | -               | -               | -              |
| -              | -             | -             | -               | 1,391,191       | -              |
| -              | 40,000        | -             | 1,850,000       | 6,812,185       | 7,348,514      |
| -              | 142,157       | 1,930         | -               | -               | -              |
| -              | -             | 1,192,957     | 904,685         | 542,817         | -              |
| 2,159,807      | -             | -             | -               | -               | -              |
| -              | (40,000)      | -             | (1,850,000)     | (6,812,185)     | (8,348,514)    |
| -              | -             | -             | -               | -               | -              |
| -              | -             | (8,565,118)   | (9,392,852)     | (7,512,617)     | -              |
| 7,728,183      | 764,235       | 52,574,769    | 141,833         | 2,344,884       | 1,937,637      |
| -              | -             | -             | -               | -               | -              |
| \$ (1,048,958) | \$ 16,720,944 | \$ 64,898,603 | \$ (23,961,504) | \$ (18,546,629) | \$ (2,032,890) |

SCHEDULE 8  
DONNA INDEPENDENT SCHOOL DISTRICT  
GOVERNMENTAL FUND EXPENDITURES BY FUNCTION  
PER AVERAGE DAILY ATTENDANCE

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Average<br>Daily<br>Attendance * | Instruction and<br>Instructional<br>Related<br>Services | Instructional<br>and<br>School<br>Leadership | Support<br>Services<br>Student<br>(Pupil) | Administrative<br>Support<br>Services | Support<br>Services<br>Nonstudent<br>Based |
|----------------|----------------------------------|---|--|---|---------------------------------------|--|
| 2005           | 11,990                           | \$ 5,110  | \$ 572                                       | \$ 1,496                                  | \$ 320                                | \$ 1,292                                   |
| 2006           | 12,449                           | 5,658   | 565  | 1,530                                     | 303                                   | 1,329                                      |
| 2007           | 12,839                           | 5,835   | 623  | 1,871                                     | 329                                   | 1,394                                      |
| 2008           | 13,438                           | 5,811   | 601  | 1,746                                     | 343                                   | 1,342                                      |
| 2009           | 13,859                           | 5,932   | 676  | 1,713                                     | 325                                   | 1,398                                      |
| 2010           | 14,175                           | 6,369   | 607  | 1,693                                     | 337                                   | 1,342                                      |
| 2011           | 14,306                           | 6,293   | 608  | 1,676                                     | 279                                   | 1,122                                      |
| 2012           | 13,785                           | 5,795   | 638  | 1,793                                     | 311                                   | 1,170                                      |
| 2013           | 13,941                           | 6,046   | 687  | 2,107                                     | 310                                   | 1,204                                      |
| 2014           | 14,203                           | 6,384   | 619  | 1,777                                     | 417                                   | 1,470                                      |

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports. Function expenditures are from the Governmental Funds Statements of Revenues, Expenditures, and Changes in Fund Balances (Exhibit C-3 for fiscal years 2005-2013) (Exhibit C-2 for fiscal year 2014).

Note: \* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.

| Ancillary<br>Services | Debt<br>Service<br>Principal | Debt<br>Service<br>Interest<br>and Other | Capital<br>Outlay | Inter-<br>Governmental<br>Charges | Total    |
|-----------------------|------------------------------|--|-------------------|-----------------------------------|----------|
| \$ 99                 | \$ 297                       | \$ 303                                   | \$ 216            | \$ 6                              | \$ 9,712 |
| 87                    | 274                          | 296                                      | 512               | 5                                 | 10,559   |
| 80                    | 273                          | 278                                      | 868               | 2                                 | 11,555   |
| 78                    | 322                          | 263                                      | 323               | 8                                 | 10,837   |
| 77                    | 362                          | 250                                      | 726               | -                                 | 11,459   |
| 79                    | 338                          | 281                                      | 118               | 1                                 | 11,166   |
| 73                    | 456                          | 343                                      | 677               | 8                                 | 11,535   |
| 77                    | 487                          | 325                                      | 2,967             | -                                 | 13,563   |
| 82                    | 501                          | 274                                      | 2,127             | 3                                 | 13,340   |
| 204                   | 442                          | 277                                      | 369               | 1                                 | 11,959   |

**THIS PAGE LEFT BLANK INTENTIONALLY**



## **DEBT CAPACITY INFORMATION**

*Donna ISD.....*

*Committed to Excellence*

SCHEDULE 9  
DONNA INDEPENDENT SCHOOL DISTRICT  
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Assessed Taxable Value |                   |               | Estimated Actual Market Value | Ratio of Total Assessed To Total Estimated Actual Value | *Total Direct Tax Rate |
|-------------|------------------------|-------------------|---------------|-------------------------------|---|------------------------|
|             | Real Property          | Personal Property | Total         |                               |   |                        |
| 2005        | 685,658,568            | 85,282,362        | 770,940,930   | 981,666,149                   | 78.53%  | 1.660000               |
| 2006        | 737,154,087            | 92,527,757        | 829,681,844   | 1,058,310,290                 | 78.40%  | 1.660000               |
| 2007        | 784,747,162            | 97,164,052        | 881,911,214   | 1,127,757,848                 | 78.20%  | 1.530000               |
| 2008        | 867,597,781            | 95,193,279        | 962,791,060   | 1,235,363,636                 | 77.94%  | 1.200000               |
| 2009        | 1,011,896,280          | 98,890,492        | 1,110,786,772 | 1,527,949,702                 | 72.70%  | 1.200000               |
| 2010        | 1,037,839,373          | 93,463,676        | 1,131,303,049 | 1,551,657,766                 | 72.91%  | 1.177900               |
| 2011        | 1,202,480,951          | 89,993,799        | 1,292,474,750 | 1,541,491,832                 | 83.85%  | 1.258200               |
| 2012        | 1,262,532,049          | 88,453,799        | 1,350,985,848 | 1,617,194,609                 | 83.54%  | 1.258200               |
| 2013        | 1,277,941,251          | 88,541,924        | 1,366,483,175 | 1,629,388,176                 | 83.86%  | 1.258200               |
| 2014        | 1,303,693,450          | 90,062,105        | 1,393,755,555 | 1,650,616,629                 | 84.44%  | 1.258200               |

Source: Hidalgo County Appraisal District

\* Per \$100 of assessed value

SCHEDULE 10  
DONNA INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Current Taxes Collected | Delinquent Tax Collections | Total Tax Collections | Ratio of Total Tax Collections to Total Tax Levy | Outstanding Delinquent Taxes | Ratio of Delinquent Taxes to Total Tax Levy |
|-------------|----------------|-------------------------|------------------------------------|----------------------------|-----------------------|--|------------------------------|---|
| 2005        | 10,298,812     | 8,684,964               | 84.33%                             | 1,258,023                  | 9,942,987             | 96.54%   | 6,073,718                    | 58.97%                                      |
| 2006        | 11,182,472     | 9,462,748               | 84.62%                             | 1,160,285                  | 10,623,033            | 95.00%   | 6,597,270                    | 59.00%                                      |
| 2007        | 11,091,938     | 9,833,437               | 88.65%                             | 1,493,196                  | 11,326,633            | 102.12%  | 6,534,098                    | 58.91%                                      |
| 2008        | 9,551,595      | 8,325,034               | 87.16%                             | 1,584,798                  | 9,909,832             | 103.75%  | 6,298,074                    | 65.94%                                      |
| 2009        | 11,244,495     | 9,899,777               | 88.04%                             | 1,106,006                  | 11,005,783            | 97.88%   | 6,675,911                    | 59.37%                                      |
| 2010        | 11,202,344     | 9,765,659               | 87.18%                             | 1,558,733                  | 11,324,392            | 101.09%  | 5,946,949                    | 53.09%                                      |
| 2011        | 11,758,170     | 10,362,750              | 88.13%                             | 1,283,486                  | 11,646,236            | 99.05%   | 5,951,578                    | 50.62%                                      |
| 2012        | 12,337,441     | 11,055,434              | 89.61%                             | 1,404,764                  | 12,460,198            | 100.99%  | 5,718,284                    | 46.35%                                      |
| 2013        | 12,462,349     | 11,362,097              | 91.17%                             | 1,462,047                  | 12,824,144            | 102.90%  | 5,267,265                    | 42.27%                                      |
| 2014        | 12,715,480     | 11,902,563              | 93.61%                             | 1,597,113                  | 13,499,676            | 106.17%  | 4,677,860                    | 36.79%                                      |

Source: Donna Independent School District Annual Financial and Compliance Reports (Exhibit J-1)/Hidalgo County Tax Assessor-Collector

Note (1): The tax levy shown above is the adjusted tax levy as of the fiscal year end.

Note (2): Total Tax Collections include only the taxes collected for current and prior year. Penalty charges and interest are not included in Total Tax Collections.



SCHEDULE 11  
DONNA INDEPENDENT SCHOOL DISTRICT  
ALLOCATION OF PROPERTY TAX RATES AND LEVIES

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Tax Rates<br>(Per \$100 of Assessed Value) |                         |          | Tax Levies      |                         |                           |
|----------------|--|-------------------------|----------|-----------------|-------------------------|---------------------------|
|                | General<br>Fund                            | Debt<br>Service<br>Fund | Total    | General<br>Fund | Debt<br>Service<br>Fund | Original<br>Levy<br>Total |
| 2005           | 1.500000                                   | 0.160000                | 1.660000 | 9,310,856       | 987,956                 | 10,298,812                |
| 2006           | 1.500000                                   | 0.160000                | 1.660000 | 10,104,643      | 1,077,829               | 11,182,472                |
| 2007           | 1.370000                                   | 0.160000                | 1.530000 | 9,931,996       | 1,159,942               | 11,091,938                |
| 2008           | 1.040000                                   | 0.160000                | 1.200000 | 8,446,079       | 1,105,516               | 9,551,595                 |
| 2009           | 1.040000                                   | 0.160000                | 1.200000 | 9,747,408       | 1,497,087               | 11,244,495                |
| 2010           | 1.170000                                   | 0.007900                | 1.177900 | 10,918,701      | 283,643                 | 11,202,344                |
| 2011           | 1.170000                                   | 0.088200                | 1.258200 | 10,904,852      | 853,318                 | 11,758,170                |
| 2012           | 1.170000                                   | 0.088200                | 1.258200 | 11,445,777      | 891,664                 | 12,337,441                |
| 2013           | 1.170000                                   | 0.088200                | 1.258200 | 11,588,737      | 873,612                 | 12,462,349                |
| 2014           | 1.170000                                   | 0.088200                | 1.258200 | 11,824,123      | 891,357                 | 12,715,480                |

Source: Donna Independent School District Annual Financial and Compliance Reports

Note: The basis for the property tax rate is \$100 assessed valuation.

SCHEDULE 12  
DONNA INDEPENDENT SCHOOL DISTRICT  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 ASSESSED VALUATION)

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Tax Year | Direct Tax Rate                   | Overlapping Tax Rates |               |                         |                |                      |                     | Total Direct and Overlapping Tax Rate |
|-------------|----------|-----------------------------------|-----------------------|---------------|-------------------------|----------------|----------------------|---------------------|---------------------------------------|
|             |          | Donna Independent School District | South Texas ISD       | City of Donna | Donna Water District #1 | Hidalgo County | Drainage District #1 | South Texas College |                                       |
| 2005        | 2004     | 1.660000                          | 0.039200              | 0.991648      | 0.210000                | 0.590000       | 0.043500             | 0.164700            | 2.821456                              |
| 2006        | 2005     | 1.660000                          | 0.039200              | 0.989138      | 0.210000                | 0.590000       | 0.043500             | 0.158900            | 2.809703                              |
| 2007        | 2006     | 1.530000                          | 0.039200              | 0.989999      | 0.210000                | 0.590000       | 0.041300             | 0.154800            | 2.837586                              |
| 2008        | 2007     | 1.200000                          | 0.049200              | 0.989999      | 0.210000                | 0.590000       | 0.049200             | 0.154000            | 2.700527                              |
| 2009        | 2008     | 1.200000                          | 0.049200              | 0.989999      | 0.210000                | 0.590000       | 0.070000             | 0.149800            | 2.386577                              |
| 2010        | 2009     | 1.177900                          | 0.049200              | 1.038320      | 0.210000                | 0.590000       | 0.072500             | 0.149100            | 3.287020                              |
| 2011        | 2010     | 1.258200                          | 0.049200              | 1.125900      | 0.210000                | 0.590000       | 0.072500             | 0.149700            | 3.455500                              |
| 2012        | 2011     | 1.258200                          | 0.049200              | 1.252300      | 0.210000                | 0.590000       | 0.073300             | 0.150700            | 3.583700                              |
| 2013        | 2012     | 1.258200                          | 0.049200              | 1.252376      | 0.210000                | 0.590000       | 0.075000             | 0.150700            | 3.585476                              |
| 2014        | 2013     | 1.258200                          | 0.049200              | 1.252376      | 0.210000                | 0.590000       | 0.095700             | 0.150000            | 3.605476                              |

Source: Hidalgo County Tax Assessor-Collector

SCHEDULE 13  
DONNA INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

| Taxpayer                        | Type of Business              | Fiscal Year 2014                          |      |  |
|---------------------------------|-------------------------------|---|------|--|
|                                 |                               | Tax Year<br>2013<br>Assessed<br>Valuation | Rank | Percentage of<br>Total Assessed<br>Valuation |
| AEP Texas Central Co            | Electric Utility              | \$ 8,853,380                              | 1    | 0.54%  |
| Victoria Palms LLC              | RV Park - Hotel               | 7,601,143                                 | 2    | 0.47%  |
| Triple R Medical Facilities LTD | Medical                       | 4,068,257                                 | 3    | 0.25%  |
| Tennessee Gas Pipeline          | Gas Utility                   | 3,831,270                                 | 4    | 0.24%  |
| Allied Waste North America Inc  | Waste Disposal                | 3,419,856                                 | 5    | 0.21%  |
| BH Hester Donna LLC             | Warehouse/Distribution Center | 3,288,164                                 | 6    | 0.20%  |
| Southwestern Bell Tele          | Telephone Utility             | 3,260,250                                 | 7    | 0.20%  |
| Dewbre Petroleum Corp           | Oil & Gas                     | 2,874,320                                 | 8    | 0.18%  |
| Magic Valley Elec Coop          | Electric Utility              | 2,616,160                                 | 9    | 0.16%  |
| P&P Properties LTD              | Property Management           | 2,586,377                                 | 10   | 0.16%  |
| Howard Johnson                  | RV Park - Hotel               | -   |      | 0.00%  |
| Sumaur Expl Inc.                | Oil & Gas                     | -   |      | 0.00%  |
| Merit Energy Company            | Energy                        | -   |      | 0.00%  |
| Victoria Palms II LP            | RV Park - Hotel               | -   |      | 0.00%  |
| H E Butt Grocery Company        | Retail                        | -   |      | 0.00%  |
| South Texas Moulding, Inc.      | Warehouse/Distribution Center | -   |      | 0.00%  |
| AGV Palm Shadows LTD            | RV Park                       | -   |      | 0.00%  |
| Totals                          |                               | \$ 42,399,177                             |      | 2.60%  |

Source: Hidalgo County Appraisal District

Fiscal Year 2005

| Fiscal Year 2005 |                      |      |  |
|------------------|----------------------|------|--|
| Tax Year         | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation |
| 2004             | \$ 5,557,740         | 3    | 0.67%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | 6,185,066            | 2    | 0.70%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | 2,696,960            | 8    | 0.33%                                  |
|                  | -                    |      | 0.00%                                  |
|                  | 6,489,114            | 1    | 0.73%                                  |
|                  | 4,223,770            | 4    | 0.47%                                  |
|                  | 4,068,360            | 5    | 0.46%                                  |
|                  | 3,622,992            | 6    | 0.41%                                  |
|                  | 2,698,359            | 7    | 0.30%                                  |
|                  | 2,460,587            | 9    | 0.28%                                  |
|                  | 2,432,050            | 10   | 0.27%                                  |
|                  | <u>\$ 40,434,998</u> |      | <u>4.62%</u>                           |

SCHEDULE 14  
DONNA INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING DEBT BY TYPE

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Bonds<br>Payable | Notes<br>Payable | Capital Lease<br>Payable | Unamortized<br>Bond Premium | Accreted<br>Interest | Total<br>Debt |
|----------------|------------------|------------------|--------------------------|-----------------------------|----------------------|---------------|
| 2005           | \$ 78,025,000    | \$ 1,095,000     | \$ 1,372,761             | \$ -                        | \$ -                 | \$ 80,492,761 |
| 2006           | 74,510,000       | 1,000,000        | 1,074,569                |                             | 11,194               | 76,595,763    |
| 2007           | 71,630,000       | 900,000          | 2,237,968                | -                           | 617,072              | 75,385,040    |
| 2008           | 68,430,000       | 795,000          | 2,616,945                |                             | 1,624,685            | 73,466,630    |
| 2009           | 65,215,000       | 680,000          | 6,498,748                | -                           | 1,723,884            | 74,117,632    |
| 2010           | 62,640,000       | 560,000          | 5,018,471                | -                           | 1,042,216            | 69,260,687    |
| 2011           | 110,080,000      | 435,000          | 3,079,981                | -                           | 1,087,195            | 114,682,176   |
| 2012           | 105,225,000      | 300,000          | 1,345,802                | -                           | 1,134,098            | 108,004,900   |
| 2013           | 100,215,000      | 1,079,176        | 727,529                  | 2,550,111                   | 1,528,040            | 106,099,856   |
| 2014           | 95,135,000       | 466,323          | 3,075,708                | 2,416,391                   | 1,590,452            | 102,683,874   |

Source: Donna Independent School District Annual Financial and Compliance Reports

\* Note: See Estimated Actual Property Value and Average Daily Membership amounts in Demographic and Economic Information Schedule in Demographic and Economic Information section of this report.

| <u>* Total Debt<br/>as %<br/>of Personal Income</u> | <u>* Total Debt<br/>Per Capita Income</u> | <u>* Ratio of Total<br/>Debt to Estimated<br/>Actual Property Value</u> | <u>* Total Debt<br/>Per Average<br/>Daily Membership</u> |
|---|---|---|--|
| 690%  | \$ 4,656.53                               | 8.20%   | \$ 6,434   |
| 621%  | 4,318.42                                  | 7.24%   | 5,907  |
| 560%  | 4,004.73                                  | 6.68%   | 5,649  |
| 495%  | 3,644.36                                  | 5.95%   | 5,244  |
| 483%  | 3,661.76                                  | 4.85%   | 5,096  |
| 419%  | 3,272.11                                  | 4.46%   | 4,661  |
| 665%  | 5,304.45                                  | 7.44%   | 7,644  |
| 598%  | 4,821.65                                  | 6.68%   | 7,247  |
| 570%  | 4,643.73                                  | 6.51%   | 6,946  |
| 541%  | 4,406.09                                  | 6.22%   | 6,916  |

SCHEDULE 15  
DONNA INDEPENDENT SCHOOL DISTRICT  
DIRECT AND OVERLAPPING DEBT  
GENERAL OBLIGATION BONDS

As of August 31, 2014

(Unaudited)

| Political Subdivision                  | Net Debt<br>Amounts |   | As of    | Estimated<br>Percentage<br>Applicable | Estimated Share of<br>Overlapping Debt |
|--|---------------------|---|----------|---------------------------------------|--|
| Hidalgo County                         | \$ 162,385,000      | A | 12/31/13 | 3.74%                                 | \$ 6,072,649                           |
| Hidalgo County Drainage District No. 1 | 163,535,000         | A | 06/30/13 | 3.86%                                 | 6,318,174                              |
| City of Donna                          | 41,590,000          | A | 09/30/13 | 100.00%                               | 41,590,000                             |
| South Texas College                    | 44,384,991          | A | 12/31/13 | 3.67%                                 | 1,629,789                              |
|  |                     |   |          |                                       | <u>\$ 55,610,612</u>                   |
| Donna ISD Direct Debt                  |                     | B | 08/31/14 | 100.00%                               | <u>\$ 102,683,874</u>                  |
| Total Direct and Overlapping Debt      |                     |   |          |                                       | <u><u>\$ 158,294,486</u></u>           |

A - Municipal Advisory Council of Texas

B - Long-Term Liabilities Note

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the District. This process recognizes that, when considering the District's ability to issue and repay long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping governmental.

**THIS PAGE LEFT BLANK INTENTIONALLY**



SCHEDULE 16  
DONNA INDEPENDENT SCHOOL DISTRICT  
COMPUTATION OF LEGAL DEBT MARGIN

LAST TEN YEARS

(Unaudited)

|   | 2005           | 2006           | 2007           | 2008           | 2009             |
|---|----------------|----------------|----------------|----------------|------------------|
| Assessed Valuation                            | \$ 770,940,930 | \$ 829,681,844 | \$ 881,911,214 | \$ 962,791,060 | \$ 1,110,786,772 |
| Debt Limit - 10% of Assessed Valuation        | \$ 77,094,093  | \$ 82,968,184  | \$ 88,191,121  | \$ 96,279,106  | \$ 111,078,677   |
| General Obligation Bonds                      | 78,025,000     | 74,510,000     | 71,630,000     | 68,430,000     | 65,215,000       |
| Deduct Amount Available in Debt Service Fund  | 405,335        | 585,221        | 870,027        | 1,212,268      | 1,707,399        |
| Legal Debt Margin                             | \$ (525,572)   | \$ 9,043,405   | \$ 17,431,148  | \$ 29,061,374  | \$ 47,571,076    |
| Debt Margin as a Percentage of the Debt Limit | -0.68%         | 10.90%         | 19.77%         | 30.18%         | 42.83%           |

Source: Donna Independent School District Annual Financial and Compliance Reports: Assessed Valuation (Exhibit J-1); General Obligations Bonds (Notes to Financial Statements); and Debt Service Fund, Amount Available in Debt Service (Exhibit C-1).

Note: Texas statutes do not prescribe a debt limit; however, by custom, a practical economic debt limit of 10% of the assessed valuation is used.

| 2010             | 2011             | 2012             | 2013             | 2014             |
|------------------|------------------|------------------|------------------|------------------|
| \$ 1,131,303,049 | \$ 1,292,474,750 | \$ 1,350,985,848 | \$ 1,366,483,175 | \$ 1,393,755,555 |
| \$ 113,130,305   | \$ 129,247,475   | \$ 135,098,585   | \$ 136,648,318   | \$ 139,375,556   |
| 62,640,000       | 110,080,000      | 105,225,000      | 100,215,000      | 95,135,000       |
| 869,162          | 660,980          | 683,308          | 713,237          | 1,018,643        |
| \$ 51,359,467    | \$ 19,828,455    | \$ 30,556,892    | \$ 37,146,555    | \$ 45,259,199    |
| 45.40%           | 15.34%           | 22.62%           | 27.18%           | 32.47%           |

SCHEDULE 17  
DONNA INDEPENDENT SCHOOL DISTRICT  
RATIO OF NET GENERAL OBLIGATION BONDED DEBT  
TO ESTIMATED ACTUAL VALUE AND  
PER AVERAGE DAILY MEMBERSHIP

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Average Daily Membership | Estimated Actual Value | Total Bonded Debt | Debt Service Fund Balance | Net Bonded Debt | Ratio of Net Bonded Debt to Estimated Actual Value | Net Bonded Debt Per Average Daily Membership |
|-------------|--------------------------|------------------------|-------------------|---------------------------|-----------------|--|--|
| 2005        | 12,510                   | \$ 981,666,149         | \$ 80,492,761     | \$ 405,335                | \$ 97,619,468   | 9.94%  | \$ 7,803.31                                  |
| 2006        | 12,968                   | 1,058,310,290          | 76,595,763        | 585,221                   | 76,010,542      | 7.18%  | 5,861.39                                     |
| 2007        | 13,346                   | 1,127,757,848          | 75,385,040        | 870,027                   | 74,515,013      | 6.61%  | 5,583.32                                     |
| 2008        | 14,009                   | 1,235,363,636          | 73,466,630        | 1,212,268                 | 72,254,362      | 5.85%  | 5,157.71                                     |
| 2009        | 14,545                   | 1,527,949,702          | 74,117,632        | 1,707,399                 | 72,410,233      | 4.74%  | 4,978.36                                     |
| 2010        | 14,859                   | 1,551,657,766          | 69,260,687        | 869,162                   | 68,391,525      | 4.41%  | 4,602.70                                     |
| 2011        | 15,002                   | 1,541,491,832          | 114,682,176       | 660,980                   | 114,021,196     | 7.40%  | 7,600.40                                     |
| 2012        | 14,904                   | 1,617,194,609          | 108,004,900       | 683,308                   | 107,321,592     | 6.64%  | 7,200.86                                     |
| 2013        | 15,276                   | 1,629,388,176          | 106,099,856       | 713,237                   | 105,386,619     | 6.47%  | 6,898.84                                     |
| 2014        | 14,848                   | 1,650,616,629          | 102,683,874       | 1,018,643                 | 101,665,231     | 6.16%  | 6,847.07                                     |

Source: Average Daily Membership provided by the District's PEIMS Office. Estimated Actual Value obtained from the Hidalgo County Tax Assessor-Collector.

Note (1): Average Daily Membership represents the average daily enrollment of students, district-wide, over the official number of instructional days.

Note (2): Estimated actual property value and average daily membership are used because they are more relevant to the school district than personal income and population

SCHEDULE 18  
DONNA INDEPENDENT SCHOOL DISTRICT  
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Principal    | Interest*    | Total<br>Debt<br>Service | Total<br>General<br>Fund<br>Expenditures | Ratio of<br>Debt Service<br>To General Fund<br>Expenditures |
|----------------|--------------|--------------|--------------------------|--|---|
| 2005           | \$ 3,560,512 | \$ 3,627,111 | \$ 7,187,623             | \$ 87,758,738                            | 8.19%   |
| 2006           | 3,409,692    | 3,684,804    | 7,094,496                | 96,303,060                               | 7.37%   |
| 2007           | 3,507,168    | 3,574,158    | 7,081,326                | 109,104,998                              | 6.49%   |
| 2008           | 4,331,488    | 3,540,155    | 7,871,643                | 114,116,487                              | 6.90%   |
| 2009           | 5,016,543    | 3,464,357    | 8,480,900                | 127,083,239                              | 6.67%   |
| 2010           | 4,797,355    | 3,982,759    | 8,780,114                | 114,338,882                              | 7.68%   |
| 2011           | 6,523,490    | 4,900,822    | 11,424,312               | 112,835,006                              | 10.12%  |
| 2012           | 6,708,083    | 4,479,312    | 11,187,395               | 125,212,435                              | 8.93%   |
| 2013           | 6,978,782    | 4,255,232    | 11,234,014               | 135,452,557                              | 8.29%   |
| 2014           | 6,282,311    | 3,918,928    | 10,201,239               | 143,841,864                              | 7.09%   |

Source: Donna Independent School District Annual Financial and Compliance Reports

Note: \* Excludes Other Fees

**THIS PAGE LEFT BLANK INTENTIONALLY**



**DEMOGRAPHIC AND ECONOMIC  
INFORMATION**

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

SCHEDULE 19  
DONNA INDEPENDENT SCHOOL DISTRICT  
DEMOGRAPHIC INFORMATION

LAST TEN YEARS

(Unaudited)

| Calendar Year | Population * | Personal Income * | Per Capita Income* | Average Daily Attendance | Unemployment Rate ** |
|---------------|--------------|-------------------|--------------------|--------------------------|----------------------|
| 2005          | 674,982      | \$ 11,668,018     | \$ 17,286          | 11,990                   | 6.9%                 |
| 2006          | 695,352      | 12,333,428        | 17,737             | 12,449                   | 6.6%                 |
| 2007          | 715,264      | 13,464,065        | 18,824             | 12,839                   | 6.6%                 |
| 2008          | 736,694      | 14,851,288        | 20,159             | 12,839                   | 9.1%                 |
| 2009          | 757,468      | 15,332,238        | 20,241             | 13,859                   | 11.7%                |
| 2010          | 780,030      | 16,510,596        | 21,167             | 14,175                   | 12.1%                |
| 2011          | 797,810      | 17,248,431        | 21,620             | 14,306                   | 11.2%                |
| 2012          | 806,552      | 18,066,662        | 22,400             | 13,785                   | 11.7%                |
| 2013          | 867,378      | 18,608,662        | 22,848             | 13,941                   | 10.8%                |
| 2014          | 825,800      | 18,980,835        | 23,305             | 14,203                   | 9.3%                 |

Source: For year 2014, statistics for Population and Unemployment were based on Forbes data for the McAllen-Edinburg-Mission Metropolitan Area.

For year 2014, statistics for Per Capita Income were based on a 2% estimate. ADA was provided by the PEIMS Office.

For year 2013, statistics for Population were based on a 3% average historic estimate

For year 2013, statistics for Per Capita Income and Personal Income were based on a 2% estimate

\*\* The unemployment rates for the McAllen-Edinburg-Mission, TX Metropolitan Area were used as reported by the Bureau of Labor Statistics

\* For years 2005-2012, statistics for Population, Personal Income, and Per Capita Income, were taken from the Bureau of Economic Analysis based on the McAllen-Edinburg-Mission, TX Metropolitan Area (BEARFACTS)



SCHEDULE 20  
DONNA INDEPENDENT SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS PRIOR

(Unaudited)

| Employer                   | 2014 *       |      |   | 2005*        |      |   |
|----------------------------|--------------|------|---|--------------|------|---|
|                            | Employees    | Rank | Percentage of<br>Total City<br>Employment | Employees    | Rank | Percentage of<br>Total City<br>Employment |
| Donna ISD                  | 2,481        | 1    | 17.31%                                    | 2,202        | 1    | 16.10%                                    |
| A&E Health Services, Inc.  | 507          | 2    | 3.54%                                     |              |      | 0.00%                                     |
| Idea Public Schools        | 170          | 3    | 1.19%                                     |              |      | 0.00%                                     |
| HEB Food Store             | 115          | 4    | 0.80%                                     | 50           | 4    | 0.37%                                     |
| City of Donna              | 100          | 5    | 0.70%                                     | 56           | 3    | 0.41%                                     |
| Bland Distribution         | 100          | 6    | 0.70%                                     |              |      | 0.00%                                     |
| Paramount Citrus           | 79           | 7    | 0.55%                                     |              |      | 0.00%                                     |
| Victoria Palms Resort      | 71           | 8    | 0.50%                                     | 70           | 2    | 0.51%                                     |
| McDonalds                  | 60           | 9    | 0.42%                                     | 20           | 8    | 0.15%                                     |
| Whataburger                | 58           | 10   | 0.40%                                     | 24           | 7    | 0.18%                                     |
| Wells Fargo                |              |      |   | 11           | 9    | 0.08%                                     |
| Burger King                |              |      |   | 10           | 10   | 0.07%                                     |
| Rio Grande Container       |              |      |   | 30           | 5    | 0.22%                                     |
| Rio Grande Canning Company |              |      |   | 23           | 6    | 0.17%                                     |
| <b>Total</b>               | <u>3,741</u> |      | <u>26.11%</u>                             | <u>2,422</u> |      | <u>8.35%</u>                              |

Source:

(1) \*City of Donna EDC information and direct communication with employers.

(2) \*Census.gov Est. Population is 16,595 and Unemployment Rate is 9.3%. Population x Unemployment Rate = Unemployed.  
Population: 2013 estimate 16,270 increased by 2% for 2014 data. = 16,595

SCHEDULE 21  
DONNA INDEPENDENT SCHOOL DISTRICT  
CONSTRUCTION AND PROPERTY VALUES

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Single-Family<br>Construction<br>Permits * | Average<br>Construction<br>Value * | Total Property<br>Value |
|----------------|--|------------------------------------|-------------------------|
| 2005           | 226  | \$ 52,200                          | \$ 981,666,149          |
| 2006           | 177  | 51,300                             | 1,058,310,290           |
| 2007           | 125  | 51,600                             | 1,127,757,848           |
| 2008           | 71   | 51,500                             | 1,235,363,636           |
| 2009           | 27   | 46,000                             | 1,527,949,702           |
| 2010           | 30   | 58,900                             | 1,551,657,766           |
| 2011           | 45   | 58,335                             | 1,541,491,832           |
| 2012           | 49   | 59,230                             | 1,617,194,609           |
| 2013           | 23   | 54,068                             | 1,629,388,176           |
| 2014           | 25   | 54,756                             | 1,650,616,629           |

Source: City of Donna

**THIS PAGE LEFT BLANK INTENTIONALLY**



## OPERATING INFORMATION

*Donna ISD.....*

*Committed to Excellence*

SCHEDULE 22  
DONNA INDEPENDENT SCHOOL DISTRICT  
WORK FORCE COMPOSITION BY EMPLOYEE CLASSIFICATION

LAST TEN YEARS

(Unaudited)

| Classification             | 2005    | 2006    | 2007    | 2008    | 2009    |
|----------------------------|---------|---------|---------|---------|---------|
| <b>Number of Employees</b> |         |         |         |         |         |
| Teachers                   | 851     | 869     | 876     | 929     | 982     |
| Professional Support       | 161     | 177     | 177     | 193     | 218     |
| Campus Administration      | 42      | 42      | 40      | 43      | 54      |
| Central Administration     | 18      | 19      | 17      | 18      | 6       |
| Educational Aides          | 295     | 341     | 326     | 352     | 328     |
| Auxiliary Staff            | 836     | 829     | 873     | 922     | 928     |
| Total Employees            | 2,202   | 2,277   | 2,308   | 2,458   | 2,516   |
| <b>Percent of Total</b>    |         |         |         |         |         |
| Teachers                   | 38.63%  | 38.15%  | 37.95%  | 37.81%  | 39.04%  |
| Professional Support       | 7.29%   | 7.78%   | 7.67%   | 7.86%   | 8.67%   |
| Campus Administration      | 1.91%   | 1.84%   | 1.75%   | 1.75%   | 2.15%   |
| Central Administration     | 0.82%   | 0.84%   | 0.71%   | 0.74%   | 0.24%   |
| Educational Aides          | 13.38%  | 14.98%  | 14.11%  | 14.34%  | 13.02%  |
| Auxiliary Staff            | 37.97%  | 36.42%  | 37.80%  | 37.50%  | 36.89%  |
|                            | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Source: The District's Human Resources Department and the Academic Excellence Indicator System (AEIS).  
Data taken from P.E.I.M.S. report(s).

| 2010    | 2011    | 2012    | 2013    | 2014    |
|---------|---------|---------|---------|---------|
| 995     | 999     | 941     | 944     | 1023    |
| 196     | 202     | 200     | 216     | 261     |
| 52      | 50      | 49      | 50      | 45      |
| 5       | 6       | 5       | 5       | 18      |
| 310     | 239     | 229     | 220     | 267     |
| 769     | 773     | 857     | 889     | 867     |
| 2,326   | 2,269   | 2,280   | 2,324   | 2,481   |
| 42.77%  | 44.02%  | 41.26%  | 40.62%  | 41.23%  |
| 8.42%   | 8.92%   | 8.76%   | 9.29%   | 10.52%  |
| 2.23%   | 2.18%   | 2.15%   | 2.15%   | 1.81%   |
| 0.21%   | 0.26%   | 0.22%   | 0.22%   | 0.73%   |
| 13.32%  | 10.55%  | 10.05%  | 9.47%   | 10.76%  |
| 33.05%  | 34.06%  | 37.57%  | 38.25%  | 34.95%  |
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

SCHEDULE 23  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF TEACHER INFORMATION

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Teacher Hiring Salaries |           | Average<br>Teacher Salary | Average<br>Years of<br>Experience | Bachelor's<br>Education | Master's<br>Education |
|----------------|-------------------------|-----------|---------------------------|-----------------------------------|-------------------------|-----------------------|
|                | Minimum                 | Maximum   |                           |                                   |                         |                       |
| 2005           | \$ 31,250               | \$ 45,419 | \$ 37,541                 | 9.1                               | 89.9%                   | 8.8%                  |
| 2006           | 33,000                  | 46,919    | 38,648                    | 9.1                               | 88.5%                   | 10.3%                 |
| 2007           | 36,650                  | 51,500    | 42,550                    | 9.3                               | 88.2%                   | 10.7%                 |
| 2008           | 36,650                  | 51,500    | 43,040                    | 8.9                               | 89.3%                   | 10.0%                 |
| 2009           | 37,650                  | 53,000    | 43,662                    | 8.7                               | 89.5%                   | 8.8%                  |
| 2010           | 40,000                  | 56,475    | 46,748                    | 8.8                               | 89.0%                   | 9.8%                  |
| 2011           | 40,500                  | 54,959    | 47,031                    | 9.0                               | 88.5%                   | 10.6%                 |
| 2012           | 40,500                  | 54,244    | 46,363                    | 8.8                               | 88.1%                   | 10.8%                 |
| 2013           | 42,650                  | 54,844    | 47,652                    | 8.8                               | 87.2%                   | 11.8%                 |
| 2014           | 43,000                  | 54,876    | 48,117                    | 7.9                               | 86.2%                   | 12.6%                 |

Source: Academic Excellence Indicator System (AEIS)

SCHEDULE 24  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF ATTENDANCE AND MEMBERSHIP

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Average<br>Daily<br>Attendance * | Average<br>Daily<br>Membership | Percent of<br>Attendance |
|----------------|----------------------------------|--------------------------------|--------------------------|
| 2005           | 11,990                           | 12,510                         | 95.84%                   |
| 2006           | 12,449                           | 12,968                         | 96.00%                   |
| 2007           | 12,839                           | 13,346                         | 96.20%                   |
| 2008           | 13,438                           | 14,009                         | 95.92%                   |
| 2009           | 13,859                           | 14,545                         | 95.28%                   |
| 2010           | 14,175                           | 14,859                         | 95.40%                   |
| 2011           | 14,306                           | 15,002                         | 95.36%                   |
| 2012           | 13,785                           | 14,904                         | 92.49%                   |
| 2013           | 13,941                           | 15,276                         | 91.26%                   |
| 2014           | 14,203                           | 14,848                         | 95.66%                   |

Source: The District's PEIMS Office

\* Average Daily Attendance - the average daily attendance of eligible enrollees, district-wide, over the official number of instructional days.



SCHEDULE 25  
DONNA INDEPENDENT SCHOOL DISTRICT  
OPERATING STATISTICS

LAST TEN YEARS

(Unaudited)

| Fiscal Year | Average Daily Attendance | Operating Expenditures | Cost per Pupil | Percent Change | Operating Expenses | Cost per Pupil | Percent Change |
|-------------|--------------------------|------------------------|----------------|----------------|--------------------|----------------|----------------|
| 2005        | 11,990                   | \$ 86,523,922          | \$ 7,216       | -2.64%         | \$ 110,168,309     | \$ 9,188       | 0.58%          |
| 2006        | 12,449                   | 95,233,401             | 7,650          | 6.01%          | 120,429,015        | 9,674          | 5.28%          |
| 2007        | 12,839                   | 107,167,431            | 8,347          | 9.11%          | 130,538,843        | 10,167         | 5.10%          |
| 2008        | 12,839                   | 110,645,055            | 8,618          | 3.25%          | 132,640,041        | 10,331         | 1.61%          |
| 2009        | 13,859                   | 115,164,390            | 8,310          | -3.58%         | 141,219,058        | 10,190         | -1.37%         |
| 2010        | 14,175                   | 110,787,496            | 7,816          | -5.95%         | 146,295,219        | 10,321         | 1.29%          |
| 2011        | 14,306                   | 106,536,179            | 7,447          | -4.72%         | 145,318,696        | 10,158         | -1.58%         |
| 2012        | 13,785                   | 115,765,601            | 8,398          | 12.77%         | 138,095,421        | 10,018         | -1.38%         |
| 2013        | 13,941                   | 127,656,743            | 9,157          | 9.04%          | 151,408,310        | 10,861         | 8.41%          |
| 2014        | 14,203                   | 137,468,113            | 9,679          | 5.70%          | 155,830,889        | 10,972         | 1.02%          |

Source: Average Daily Attendance provided by the District's PEIMS and A.E.I.S. reports.  
Operating Expenditures and Expenses obtained from the District's Annual Financial Reports.

SCHEDULE 26  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STUDENT INFORMATION

LAST TEN YEARS

(Unaudited)

| Fiscal<br>Year | Teacher /<br>Student<br>Ratio | Percentage of<br>Free and<br>Reduced Lunch | No. of<br>Economically<br>Disadvantaged<br>Students | Percentage of<br>Economically<br>Disadvantaged<br>Students |
|----------------|-------------------------------|--|---|--|
| 2005           | 14.7                          | 89%  | 11,584  | 92.5%  |
| 2006           | 15.0                          | 89%  | 12,145  | 93.5%  |
| 2007           | 15.2                          | 89%  | 12,577  | 94.5%  |
| 2008           | 15.0                          | 89%  | 13,359  | 95.9%  |
| 2009           | 14.8                          | 89%  | 13,964  | 95.9%  |
| 2010           | 14.9                          | 89%  | 14,404  | 96.9%  |
| 2011           | 15.0                          | 89%  | 14,571  | 97.0%  |
| 2012           | 15.9                          | 89%  | 14,527  | 97.2%  |
| 2013           | 16.2                          | 89%  | 14,818  | 97.0%  |
| 2014           | 15.0                          | 100%                                       | 14,941  | 97.2%  |

Source: Academic Excellence Indicator System (AEIS) & District's PEIMS office.

The District currently has Provision 2 status with Texas Department of Agriculture for the percentage of Free and Reduced Lunch.

SCHEDULE 27  
DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF SCHOOL BUILDINGS

(Unaudited)

|                               | Estimated Square<br>Footage | Recommended<br>Capacity |                           | Estimated Square<br>Footage | Recommended<br>Capacity |
|-------------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|
| <b>HIGH SCHOOLS</b>           |                             |                         | <b>ELEMENTARY SCHOOLS</b> |                             |                         |
| DONNA HIGH SCHOOL             | 321,801                     | 1,800                   | ADAME                     | 86,069                      | 880                     |
| DONNA NORTH HIGH SCHOOL       | 321,000                     | 2,400                   | CACERES                   | 57,390                      | 704                     |
| TOTAL                         | 642,801                     | 4,200                   | GARZA                     | 76,438                      | 1,056                   |
| <br>                          |                             |                         | GUZMAN                    | 51,227                      | 616                     |
| <b>MIDDLE SCHOOLS</b>         |                             |                         | LENOIR                    | 86,733                      | 528                     |
| A.P. SOLIS                    | 139,150                     | 1,700                   | MUNOZ                     | 76,438                      | 968                     |
| SAUCEDA                       | 147,500                     | 1,248                   | OCHOA                     | 62,811                      | 638                     |
| VETERANS                      | 149,872                     | 1,300                   | PRICE                     | 52,752                      | 575                     |
| W.A. TODD                     | 118,099                     | 825                     | RIVAS                     | 59,396                      | 616                     |
| TOTAL                         | 554,621                     | 5,073                   | RUNN                      | 59,096                      | 616                     |
| <br>                          |                             |                         | SALAZAR                   | 63,663                      | 682                     |
| <b>SPECIAL CAMPUSES</b>       |                             |                         | SALINAS                   | 87,467                      | 1,012                   |
| 3-D ACADEMY                   | 16,435                      | 328                     | SINGLETERRY               | 63,404                      | 638                     |
| DONNA ALTERNATIVE ED. PROGRAM | 19,571                      | 165                     | STAINKE                   | 64,873                      | 660                     |
| TOTAL                         | 36,006                      | 493                     | TOTAL                     | 947,757                     | 10,189                  |

Source: DISD Facilities School Building Information

Note: The information presented above is as of August 31, 2014 and are indicators of the volume and usage of the District's buildings, which are the material capital assets. Ten years of data is not available for presentation.



**SINGLE AUDIT**

*Donna ISD.....*

*Committed to Excellence*

**THIS PAGE LEFT BLANK INTENTIONALLY**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of School Trustees of the  
Donna Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Donna Independent School District (the District), as of and for the year ended August 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Davis Kinard & Co., PC*  
Certified Public Accountants

Abilene, Texas  
December 8, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of School Trustees of the  
Donna Independent School District

**Report on Compliance for Each Major Federal Program**

We have audited Donna Independent School District's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2014. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2014.

**Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.



*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Dennis Kenard & Co., PC*  
Certified Public Accountants

Abilene, Texas  
December 8, 2014

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED AUGUST 31, 2014

**A. Summary of Auditor's Results**

1. Type of auditor's report issued on the financial statements: Unmodified
2. No significant deficiencies required to be reported in this schedule were disclosed in the audit of the financial statements.
3. Noncompliance which is material to the financial statements: None
4. No significant deficiencies required to be reported in this schedule were disclosed in the audit of the major programs.
5. Type of auditor's report on compliance with major programs: Unmodified
6. Did the audit disclose findings which are required to be reported under Sec. 510(a): No
7. Major programs include:
  - Child Nutrition Cluster:
    - School Breakfast Program  
CFDA 10.553
    - National School Lunch Program  
CFDA 10.555
  - Carl D. Perkins Basic Grant Formula for CATE  
CFDA 84.048
  - Title II, Part A – Teacher, Principal, Training and Recruitment  
CFDA 84.367
  - GEAR UP – Ready, Set, College!  
CFDA 84.334A
8. Dollar threshold used to distinguish between Type A and Type B programs: \$831,371
9. Low risk auditee: Yes

**B. Findings Related to the Financial Statements**

The audit disclosed no findings required to be reported.

**C. Findings and Questioned Costs for Federal Awards Required to be Reported Under OMB Circular A-133**

The audit disclosed no findings and questioned costs required to be reported.

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF STATUS OF PRIOR FINDINGS  
YEAR ENDED AUGUST 31, 2014

A. Findings Required to be Reported in Accordance with *Government Auditing Standards*

None

B. Findings and Questioned Costs – Major Federal Award Programs Audit

None

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2014

EXHIBIT K-1

| Project<br>Number                     | Federal Grantor/Pass-Through<br>Grantor/Program Title            | CFDA<br>Number | Expenditures,<br>Indirect Costs,<br>& Refunds |
|---------------------------------------|--|----------------|---|
| <u>U.S. DEPARTMENT OF EDUCATION</u>   |  |                |   |
| Direct Program                        |  |                |   |
| Q215E110185                           | ESEA Title IV Safe & Drug Free Schools                           | 84.215E        | \$ 292,267                                    |
| Q215E110185                           | ESEA Title IV Safe & Drug Free Schools                           | 84.215E        | <u>28,033</u>                                 |
|                                       | Total CFDA Number 84.215E  |                | 320,300                                       |
| Passed Through Texas Education Agency |  |                |   |
| 13610101108902                        | ESEA Title I, Part A - Improving Basic Programs*                 | 84.010A        | 1,003,880                                     |
| 14610101108902                        | ESEA Title I, Part A - Improving Basic Programs*                 | 84.010A        | <u>8,145,933</u>                              |
|                                       | Total CFDA Number 84.010A  |                | 9,149,813                                     |
| 13615001108902                        | ESEA, Title I, Part C - Migratory Children                       | 84.011         | 321,285                                       |
| 14615001108902                        | ESEA, Title I, Part C - Migratory Children                       | 84.011         | <u>2,431,290</u>                              |
|                                       | Total CFDA Number 84.011   |                | 2,752,575                                     |
| 136600011089026600                    | IDEA-B Formula*  | 84.027         | 247,813                                       |
| 146600011089026600                    | IDEA-B Formula*  | 84.027         | <u>2,587,843</u>                              |
|                                       | Total CFDA Number 84.027   |                | 2,835,656                                     |
| 136610011089026610                    | IDEA-B Preschool*  | 84.173         | 5,462   |
| 146610011089026610                    | IDEA-B Preschool*  | 84.173         | <u>33,270</u>                                 |
|                                       | Total CFDA Number 84.173   |                | 38,732  |
| 14420006108902                        | Carl D. Perkins Basic Grant Formula for CATE                     | 84.048         | 295,888                                       |
| 13671001108902                        | Title III, Part A - English Language Acquisition                 | 84.365A        | 62,981  |
| 14671001108902                        | Title III, Part A - English Language Acquisition                 | 84.365A        | <u>676,732</u>                                |
|                                       | Total CFDA Number 84.365A  |                | 739,713                                       |
| 13694501108902                        | Title II, Part A - Teacher, Principal,<br>Training & Recruitment | 84.367         | 65,388  |
| 14694501108902                        | Title II, Part A - Teacher, Principal,<br>Training & Recruitment | 84.367         | <u>611,955</u>                                |
|                                       | Total CFDA Number 84.367   |                | <u>677,343</u>                                |
|                                       | Total Passed Through Texas Education Agency                      |                | <u>16,489,720</u>                             |

DONNA INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED AUGUST 31, 2014

| Project<br>Number | Federal Grantor/Pass-Through<br>Grantor/Program Title    | CFDA<br>Number | Expenditures,<br>Indirect Costs,<br>& Refunds |
|-------------------|--|----------------|---|
|                   | Passed Through ESC Region 1:                             |                |   |
| P334A110180       | GEAR UP - Ready, Set, College!                           | 84.334A        | \$ 233,783                                    |
|                   | Total CFDA Number 84.334A                                |                | <u>233,783</u>                                |
|                   | Total Passed Through ESC Region 1                        |                | <u>233,783</u>                                |
|                   | Passed Through ESC Region 20:                            |                |   |
| 13460001711001    | ESEA, Title X, Part C - Homeless Children                | 84.196A        | <u>18,496</u>                                 |
|                   | Total Passed Through ESC Region 20                       |                | <u>18,496</u>                                 |
|                   | TOTAL DEPARTMENT OF EDUCATION                            |                | <u>17,062,299</u>                             |
|                   | <u>U.S. DEPT. OF HEALTH &amp; HUMAN SERVICES</u>         |                |   |
|                   | Passed Through Texas Department of Human Services:       |                |   |
| 529-07-0157-00061 | Medicaid Administrative Claiming Program - MAC           | 93.778         | <u>54,503</u>                                 |
|                   | TOTAL U.S. DEPT. OF HEALTH & HUMAN SERVICES              |                | <u>54,503</u>                                 |
|                   | <u>U.S. DEPARTMENT OF AGRICULTURE</u>                    |                |   |
|                   | Passed Through Texas Education Agency:                   |                |   |
| 71401301          | School Breakfast Program*                                | 10.553         | 3,851,808                                     |
| 71301301          | National School Lunch Program* - cash assistance         | 10.555         | <u>6,513,527</u>                              |
|                   | Total Passed Through Texas Education Agency              |                | <u>10,365,335</u>                             |
|                   | Passed Through the Texas Department of Agriculture:      |                |   |
| 00564             | National School Lunch Program*                           |                |   |
|                   | -non cash assistance                                     | 10.555         | <u>230,229</u>                                |
|                   | Total Passed Through the Texas Department of Agriculture |                | <u>230,229</u>                                |
|                   | TOTAL DEPARTMENT OF AGRICULTURE                          |                | <u>10,595,564</u>                             |
|                   | TOTAL FEDERAL AWARDS                                     |                | <u>\$ 27,712,366</u>                          |

\*Clustered Programs as required by OMB Circular A-133 Compliance Supplement, March 2014.

DONNA INDEPENDENT SCHOOL DISTRICT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1: The District utilizes the fund types specified in the Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

Note 2: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All federal grant funds were accounted for in the Special Revenue Funds, a component of the governmental fund types, except for indirect costs funded by federal grants and Impact Aid and ROTC reimbursements, which are recorded in the General Fund. Medicaid reimbursements are recorded in the General Fund as federal revenue but this does not meet the definition of federal awards for purposes of preparing the schedule of federal awards.

The modified accrual basis of accounting is used for the Governmental Funds. This basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred.

Federal grants are considered to be earned to the extent of expenditures made under the provisions of the grant and, accordingly, when such funds are received they are recorded as unearned revenue until earned.

Note 3: The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 90 days beyond the federal project period ending date, in accordance with provisions in OMB Circular A-133 Compliance Supplement, Part 3, Section H - Period of Availability of Federal Funds.

Note 4: All of the ESEA, Title I, Part A expenditures are for school wide programs.

Note 5: Reconciliation of Federal Revenues on Exhibit C-2 to the Schedule of Expenditures of Federal Awards:

|  |                      |
|--|----------------------|
| Federal Awards per Schedule of Expenditures  |                      |
| of Federal Awards                            | \$ 27,712,366        |
| Medical reimbursements                       | 53,759               |
| Junior ROTC funding                          | 62,807               |
| Unrestricted indirect costs                  | 7,735                |
| E-rate funding                               | 1,902,810            |
| Total federal program revenues - Exhibit C-3 | <u>\$ 29,739,477</u> |

DONNA INDEPENDENT SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS  
 AS OF AUGUST 31, 2014

EXHIBIT L-1

| <u>Data<br/>Control<br/>Codes</u> |  | <u>Responses</u> |
|-----------------------------------|--|------------------|
| SF2                               | Were there any disclosures in the Annual Financial Report and/or other sources of information concerning default on bonded indebtedness obligations? | No               |
| SF4                               | Did the district receive a clean audit? Was there an unqualified opinion in the Annual Financial Report?   | Yes              |
| SF5                               | Did the Annual Financial Report disclose any instances of material weaknesses in internal controls?  | No               |
| SF9                               | Was there any disclosure in the Annual Financial Report of material noncompliance?   | No               |
| SF10                              | Total accumulated accretion on capital appreciation bonds included in government-wide financial statements at fiscal year-end.                       | \$ 1,590,452     |